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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

FOR THE

FISCAL YEAR ENDED JUNE 30, 1989

DEPARTMENT OF ADMINISTRATION

JOHN J. KANE, DIRECTOR

OFFICE OF ACCOUNTS AND CONTROL

LAWRENCE C. FRANKLIN, JR., C.P.A., STATE CONTROLLER

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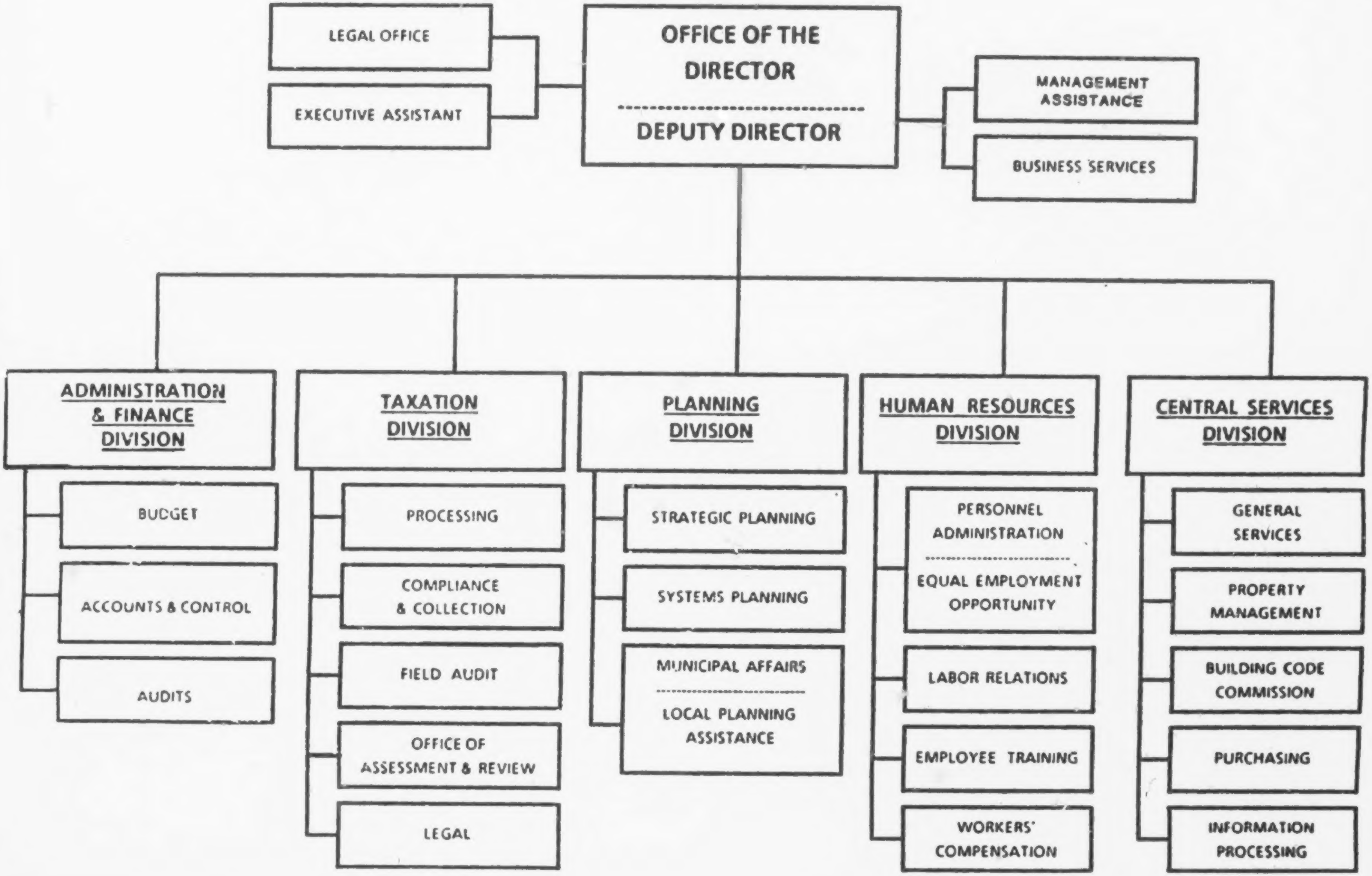
DEPARTMENT OF ADMINISTRATION

ORGANIZATION CHART


LEGAL OFFICE
EXECUTIVE ASSISTANT
OFFICE OF THE DIRECTOR
DEPUTY DIRECTOR
MANAGEMENT ASSISTANCE
BUSINESS SERVICES
ADMINISTRATION & FINANCE DIVISION
BUDGET
ACCOUNTS & CONTROL
AUDITS
TAXATION DIVISION
PROCESSING
COMPLIANCE & COLLECTION
FIELD AUDIT
OFFICE OF ASSESSMENT & REVIEW
LEGAL
PLANNING DIVISION
STRATEGIC PLANNING
SYSTEMS PLANNING
MUNICIPAL AFFAIRS
LOCAL PLANNING ASSISTANCE
HUMAN RESOURCES DIVISION
PERSONNEL ADMINISTRATION
EQUAL EMPLOYMENT OPPORTUNITY
LABOR RELATIONS
EMPLOYEE TRAINING
WORKERS' COMPENSATION
CENTRAL SERVICES DIVISION
GENERAL SERVICES
PROPERTY MANAGEMENT
BUILDING CODE COMMISSION
PURCHASING
INFORMATION PROCESSING

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
OFFICE OF THE DIRECTOR
One Capitol Hill
Providence, R.I. 02908-5890

March 23, 1990

The Honorable Edward D. DiPrete
Governor of the State of Rhode Island
Executive Chamber
State House
Providence, RI 02903

Dear Governor DiPrete:

Transmitted herewith is the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations for the fiscal year ended June 30, 1989, as prepared by the State Controller, Lawrence C. Franklin, Jr., CPA.

This report is based on generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB). It contains the certificate of the State Auditor General, as provided for by Section 35-7-10 of the General Laws.

Sincerely yours,

John J Kane

John J. Kane
Director

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL
One Capitol Hill
Providence, R.I. 02908-5883

March 23, 1990

Mr. John J. Kane, Director
Department of Administration
One Capitol Hill
Providence, Rhode Island

Dear Mr. Kane:

In accordance with Section 35-6-1 of the General Laws, I am pleased to submit to you the Comprehensive Annual Financial Report of the State of Rhode Island and Providence Plantations for the fiscal year ended June 30, 1989. This report was prepared by the State's Department of Administration - Office of Accounts and Control. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the state. I believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the state as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the state's financial affairs have been included.

This report has been prepared in accordance with generally accepted accounting principles ("GAAP") for governments as promulgated by the Governmental Accounting Standards Board. It is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the organization chart and the Director of Administration's letter of transmittal to the Governor. The Financial Section includes the Independent Auditor's Report, the general purpose financial statements and the combining and individual fund and account group financial statements and schedules. The Statistical Section includes selected financial information, generally presented on a multi-year basis.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Management of the state is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the state are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

In 1986, the General Assembly passed the Financial Integrity and Accountability Act, which commits the state to enhancing existing systems of internal controls in all state governmental entities. There is now a requirement for managers in all branches and components of government to maintain comprehensive internal control systems, to regularly evaluate the effectiveness and adequacy of these systems by internal reviews, and to submit an annual report on these internal controls to the Governor.

The Governor is required to submit to the General Assembly an executive budget for the General Fund which contains a complete plan of expenditures for the ensuing fiscal year and identifies the anticipated revenues sufficient to meet the proposed expenditures. Preparation and submission of the budget is governed by both the state constitution and the General Laws of the state which provide various limitations on the powers of the General Assembly and certain guidelines designed to maintain fiscal responsibility.

The budget as proposed by the Governor is considered by the General Assembly, which under state law, may increase, decrease, alter or strike out any items in the budget, provided the General Assembly may not take any action which would cause an excess of expenditures over expected revenues. No appropriation in excess of budget recommendations may be enacted by the General Assembly unless it shall provide the necessary additional revenue to cover such appropriation. If at any time during a fiscal year the Budget Officer determines that actual revenue receipts or resources will not equal the original estimates upon which the appropriations were based, or that spending will exceed appropriations, the Governor, for the purpose of maintaining a balanced budget, has the power to reduce or suspend appropriations for any or all departments except the General Assembly and its agencies and commissions.

In addition, a State Budget Reserve and Cash Stabilization Account was established within the General Fund in fiscal year 1985. Such account is to be used solely for the purpose of funding any unanticipated General Fund deficit caused by a revenue shortfall. The balance in this account at June 30, 1989 was $37.4 million.

Budgetary control is maintained at the program level by the encumbrance of estimated purchase amounts prior to the release of purchase orders and contracts to vendors. Purchase orders that would result in an overrun of available balances are not released until budget revisions are approved or additional appropriations are made.

REPORTING ENTITY AND ITS SERVICES

The Comprehensive Annual Financial Report includes all funds and account groups of the State of Rhode Island as well as agencies, boards, commissions, public benefit corporations and other organizational entities for which the state has oversight responsibility, or for which financial interdependency exists.

The state provides a full range of services contemplated by statute or character. These include education, health and social services, transportation, law, public safety, recreation, public improvements and comprehensive support.

GENERAL FUND CONDITION

The general fund accounts for the financing of the principal operations of state government and most jointly financed state-federal programs. Revenues and other financing sources of the general fund totaled $1.819 billion in 1989, an increase of $101 million (5.90%) over the previous year. The revenues from various sources and the change from the previous year are shown in the following tabulation (amounts in thousands):

			Increase (Decrease) over 1988	
	1989	1988	Amount	Percent
Taxes:				
Personal income	$ 422,255	$ 388,647	$ 33,608	8.65
Sales and use	505,298	501,062	4,236	.85
General business	170,535	175,063	(4,528)	(2.59)
Other	36,682	38,427	(1,745)	(4.54)
Subtotal	1,134,770	1,103,199	31,571	2.86
Federal grants	430,545	385,266	45,279	11.75
Restricted revenues	59,445	48,238	11,207	23.23
Sales and services	115,923	101,552	14,371	14.15
Miscellaneous	42,498	43,108	(610)	(1.42)
Subtotal	648,411	578,164	70,247	12.15
Total revenues	1,783,181	1,681,363	101,818	6.06
Other financing sources	35,923	36,378	(455)	(1.25)
Total revenues and other financing sources	$1,819,104	$1,717,741	$101,363	5.90

Expenditures and other financing uses totaled $1.920 billion in fiscal year 1989, an increase of $211 million (12.37%) over the previous year. Changes in expenditures by function from fiscal 1988 are shown in the following tabulation (amounts in thousands):

			Increase (Decrease) over 1988	
	1989	**1988**	**Amount**	**Percent**
Health	$ 583,521	$ 530,571	$ 52,950	9.98
Education	552,639	500,164	52,475	10.49
Social Assistance	360,533	299,587	60,946	20.34
Economic Development	75,793	64,783	11,010	17.00
Transportation	82,974	83,438	(464)	(.56)
Public Safety	52,089	47,061	5,028	10.68
Community Affairs	69,159	63,850	5,309	8.31
Comprehensive Support	116,462	101,060	15,402	15.[illegible]
Subtotal	1,893,170	1,690,514	202,656	11.99
Other financing uses	27,022	18,321	8,701	47.49
Total expenditures and other financing uses	$1,920,192	$1,708,835	$ 211,357	12.37

Because of the operating performance discussed above, the state ended fiscal 1989 with an available fund balance of $13.6 million, a decrease of $101.1 million over the previous fiscal year. It is anticipated that this available fund balance will be used as a resource for the fiscal 1990 budget.

CASH MANAGEMENT

The General Treasurer is responsible for the deposit of cash receipts; and for the payment of sums, as may be required and upon due authorization from the State Controller. Major emphasis is placed by the General Treasurer on cash management in order to insure that there is adequate cash on hand to meet the obligations of the state as they arise.

The General Treasurer is also responsible for the investment of certain funds and accounts of the state on a day-to-day basis. The State Treasury balance is determined daily. In addition, the General Treasurer is the custodian of certain other funds and accounts and in conjunction with the State Investment Commission, invests the amounts on deposit in such funds and accounts, including but not limited to, the State Employees' and Teachers' Retirement Trust Fund and the Municipal Employees' Retirement Trust Fund. The General Treasurer submits an annual report to the General Assembly on the performance of the state's investments.

DEBT ADMINISTRATION

Under the State Constitution, the General Assembly has no power to incur state debts in excess of $50,000 without the consent of the people, except in the case of war, insurrection or invasion; or to pledge the faith of the state to the payment of obligations without such consent.

The state's general obligation bonds are rated Aa by Moody's Investors Service and AA by Standard & Poor's Corporation. The state had $379.5 million of general obligation bonds outstanding at fiscal year-end. During fiscal 1989, the state issued $135.9 million of general obligation bonds and notes and redeemed $93.1 million. The total amount of general obligation bonded debt authorized but not yet issued at year-end is $411.2 million. Additional authorizations approved by the voters in the fall of 1989 amounted to $99.5 million.

In addition to general obligation bonds, the state has pledged or guaranteed the bonds and notes issued by or on behalf of certain agencies, commissions and authorities of the state. At the end of fiscal 1989, this guaranteed debt amounted to $56.2 million.

The state has entered into several lease agreements with the Rhode Island Public Buildings Authority relating to capital projects financed by the Authority at the request of the state. At year-end, the state's obligation to the Authority amounted to $130.5 million.

The state has entered into an agreement with a financial institution for the financing and acquisition of equipment through the issuance of certificates of participation. At year end, $10.0 million of certificates of participation remained outstanding.

The state has also entered into a loan and trust agreement with the Rhode Island Refunding Bond Authority to provide for the advance refunding of certain general obligation bonds of the state. At year end, the state's obligation to the Authority was $16.9 million.

It is important to note that repayment of obligations to the Rhode Island Public Buildings Authority and the Rhode Island Refunding Bond Authority, as well as redemption of certificates of participation, is contingent upon and subject to annual appropriation.

AUDIT

The combined financial statements of the state have been audited by the Auditor General as required by Section 35-7-10 of the General Laws. His report is included on page 10 of the financial section of this report.

ACKNOWLEDGEMENTS

I wish to express my sincere appreciation to the many individuals who assisted and contributed to the preparation of this report. It could not have been accomplished without the professionalism and dedication demonstrated by the entire staff of the Office of Accounts and Control, the Treasury Department, the Office of the Auditor General, and numerous other state agencies. I also want to thank the Governor and members of the General Assembly for their interest and support in planning and conducting the financial operations of the state in a responsible and progressive manner.

Respectfully submitted,

Lawrence C. Franklin, Jr., CPA
State Controller

FINANCIAL SECTION

State of Rhode Island and Providence Plantations

GENERAL ASSEMBLY
Office of the Auditor General
180 NORWOOD AVENUE
CRANSTON, RHODE ISLAND 02905

ANTHONY PICCIRILLI
Auditor General

February 26, 1990

Independent Auditor's Report

Finance Committee of the House of Representatives and
Joint Committee on Legislative Services, General Assembly,
State of Rhode Island and Providence Plantations

We have audited the accompanying general purpose financial statements of the State of Rhode Island and Providence Plantations at June 30, 1989 and for the year then ended as listed in the Table of Contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the university and colleges, certain public authorities and corporations, and certain enterprise funds, which statements reflect total assets of $2,939 million at June 30, 1989 and revenues of $645 million for the year then ended constituting 47 percent and 19 percent, respectively, of the related combined totals for the entity. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

The general purpose financial statements do not include the statement of the general fixed assets account group which should be included in order to conform with generally accepted accounting principles. The State has not completed the accumulation of historical information as to the cost and classification of its investment in general fixed assets. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, based upon our audit and the reports of other auditors, except for the effect on the financial statements of the omission of the statement of the general fixed assets account group described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Rhode Island and Providence Plantations at June 30, 1989, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 8 (Contingencies - Public Authorities and Corporations), the Rhode Island Solid Waste Management Corporation has become a defendant in a number of legal actions and the subject of investigations and orders by certain governmental agencies. Developments in these matters during 1989 have increased the likelihood that the Corporation will incur significant costs in resolving the underlying issues and taking remedial actions. The amount of such costs is presently not determinable, and no provision for any liability has been made in the general purpose financial statements.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements, taken as a whole. The combining and individual fund and account group statements and schedules, as enumerated in the Table of Contents (A-1 through J-3-2), are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Rhode Island and Providence Plantations. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Sincerely,

Anthony Piccirilli

Anthony Piccirilli, C.P.A.
Auditor General

FINANCIAL SECTION

Exhibit/
Schedule

GENERAL PURPOSE FINANCIAL STATEMENTS:

Combined Balance Sheet - All Fund Types and Account Groups I

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Trust Funds II

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - University and Colleges - All Governmental Fund Types III

Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types IV

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Statement of General Revenues, Expenditures, and Changes in Available Fund Balance - Budget and Actual - General Fund VI

Combined Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - University and Colleges - General Educational Funds VII

Notes to Combined Financial Statements

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit I-1

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1989

(Expressed in thousands)

	Governmental Fund Types			Proprietary Fund Types		
Assets	General (A-1)	Special Revenue (B-1)	Capital Projects (D-1)	Enterprise (E-1)	Internal Service (F-1)	Public Authorities and Corporations (J-1)
Cash	$ 6,723	$ 9,221	$ 286	$ 2,618	$ 6,587	$ 19,508
Funds on deposit with fiscal agent		287,020		798		
Investments	77,776	66,725	55,410	40,169		1,239,160
Receivables (net of allowance for uncollectibles)						
Taxes	60,334	3,053				
Accounts	13,036	1,811	82	10,518	2,360	6,438
Accrued interest				90		30,364
Notes and loans				3,098		1,090,397
Due from other funds	26,883	4,193		912	905	
Due from other governments and agencies	42,443	52,833	2,889	5,280		310
Inventories				153	1,753	2,794
Deferred compensation held by insurance companies						
Land				1,731		55,528
Fixed assets				150,105	17,306	148,184
Accumulated depreciation, depletion, and amortization				(29,961)	(7,116)	(34,850)
Other assets				1,062		36,275
Amount available in debt service funds						
Amount to be provided for the retirement of general long term debt						
Rentals due for payment of principal and current interest on revenue bonds						161,947
Total assets	$ 227,195	$ 424,856	$ 58,667	$ 186,573	$ 21,795	$ 2,756,055
Liabilities and Fund Equity						
Liabilities:						
Cash overdraft	$	$ 2,081	$ 9,802	$ 1,660	$	$ 240
Vouchers and accounts payable	83,465	16,798	6,534	6,185	4,581	8,518
Due to other funds		3,027	12,920	7,000	5,308	5,300
Due to other governments and agencies	11,419	58		913		801
Due to state employees - deferred compensation plan						
Accrued liabilities	14,824	1,402		844	395	54,294
Deferred revenue		8,281		255		6,020
Notes payable				2,117		77,403
Obligations under capital leases				151	6,097	
Bonds payable				25,190		2,130,497
Loans payable				7,752		
Other liabilities	4,884			16,236		80,385
Total liabilities	$ 114,592	$ 31,647	$ 29,256	$ 68,303	$ 16,381	$ 2,363,458
Fund equity:						
Equity in fixed assets of automotive equipment fund	$	$	$	$	$ 4,003	$
Contributed capital				104,135		30,208
Unexpended funds						62,078
Retained earnings				14,135	336	44,455
Fund balance:						
Reserved for encumbrances		159,229	79,798			
Reserved for debt retirement						
Reserved for pension benefits						
Reserved for employment insurance programs		337,216				
Other reserves	52,150	49			1,075	233,377
Appropriations carried forward	46,875					
Unreserved:						
Designated for incomplete projects		1,031	74			
Undesignated	13,578	(104,316)	(50,461)			22,479
Total fund equity	$ 112,603	$ 393,209	$ 29,411	$ 118,270	$ 5,414	$ 392,597
Total liabilities and fund equity	$ 227,195	$ 424,856	$ 58,667	$ 186,573	$ 21,795	$ 2,756,055

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit I-2

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1989

(Expressed in thousands)

	University and College Fund Types				
Assets	Governmental (C-1)	Fiduciary (C-2)	General Long-Term Debt (C-3)	Trust and Agency (G-1)	General Long-Term Debt Account Group (H-1)
Cash	$ 14,503	$ 686	$	$ 1,197	$
Funds on deposit with fiscal agent					
Investments	13,702	30		1,928,615	
Receivables (net of allowance for uncollectibles)					
Taxes					
Accounts	8,941	21		106	
Accrued interest	39				
Notes and loans	10,244				
Due from other funds	949	8		10,265	
Due from other governments and agencies					
Inventories	2,024				
Deferred compensation held by insurance companies				44,610	
Land					
Fixed assets					
Accumulated depreciation, depletion, and amortization					
Other assets	56				
Amount available in debt service funds			2,654		
Amount to be provided for the retirement of general long term debt			15,776		537,559
Rentals due for payment of principal and current interest on revenue bonds					
Total assets	$ 50,458	$ 745	$ 18,430	$ 1,984,793	$ 537,559
Liabilities and Fund Equity					
Liabilities:					
Cash overdraft	$ 2,003	$	$	$ 3,365	$
Vouchers and accounts payable	12,480	7		3,031	
Due to other funds	927	30			
Due to other governments and agencies				752	
Due to state employees deferred compensation plan				44,610	
Accrued liabilities				7	
Deferred revenue	5,410				
Notes payable					
Obligations under capital leases			6,880		140,511
Bonds payable			11,550		379,473
Loans payable					16,870
Other liabilities		708		3,197	705
Total liabilities	$ 20,820	$ 745	$ 18,430	$ 54,962	$ 537,559
Fund equity:					
Equity in fixed assets of automotive equipment fund	$	$	$	$	$
Contributed capital					
Unexpended funds					
Retained earnings					
Fund balance:					
Reserved for encumbrances	6,053			21	
Reserved for debt retirement	2,654				
Reserved for pension benefits				1,925,684	
Reserved for employment insurance programs					
Other reserves	20,931			287	
Appropriations carried forward					
Unreserved:					
Designated for incomplete projects					
Undesignated				3,839	
Total fund equity	$ 29,638	$	$	$ 1,929,831	$
Total liabilities and fund equity	$ 50,458	$ 745	$ 18,430	$ 1,984,793	$ 537,559

The accompanying notes are an integral part of this financial statement.

Exhibit II

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND TRUST FUNDS

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

	Governmental Fund Types				
	General (A-2)	Special Revenue (B-2)	Capital Projects (D-2)	Trust and Agency (G-2)	Total (memorandum only)
Revenues:					
Taxes	$ 1,134,770	$ 158,977	$	$	$ 1,293,747
Fines and penalties	11,440		166	1,066	12,672
Licenses, fees, sales, and services	133,348	2,362		1,638	137,348
Departmental restricted revenues	59,445				59,445
Intergovernmental revenue:					
Federal	430,545	140,361	3,231	277	574,414
State		688			688
Municipal		2,524			2,524
Contributions		6,904		191,356	198,260
Income from investments	5,261	29,048	313	265,545	300,167
Unclaimed property				3,926	3,926
Miscellaneous	8,372	1,917		1,173	11,462
Total revenues	1,783,181	342,781	3,710	464,981	2,594,653
Expenditures:					
Individual and family development	1,496,693	147,785	21,072	125,375	1,790,925
Economic development	75,793	32,962	28,722		137,477
Public safety	52,089		509		52,598
Transportation	82,974	151,395	5,683		240,052
Comprehensive support	185,621		3,504	1,559	190,684
Miscellaneous				2,947	2,947
Capital outlays - master lease program			1,951		1,951
Total expenditures	1,893,170	332,142	61,441	129,881	2,416,634
Excess (deficiency) of revenues over expenditures	(109,989)	10,639	(57,731)	335,100	178,019
Other financing sources (uses):					
Bonds and notes issued			135,868		135,868
Redemption of bond anticipation notes			(59,589)		(59,589)
Lease participation certificates issued			1,951		1,951
Increase in reappropriations	(9,977)				(9,977)
Adjustments-prior year transactions	5,623				5,623
Collection of loans	200				200
Debt service			(207)		(207)
Net transfers to reserves	(10,429)				(10,429)
Interfund transfers	23,484	34,205	(33,082)	(4,638)	19,969
Total other financing sources (uses)	8,901	34,205	44,941	(4,638)	83,409
Increase (decrease) in fund balance	(101,088)	44,844	(12,790)	330,462	261,428
Fund balance, July 1	114,666	348,365	42,201	1,599,369	2,104,601
Fund balance, June 30	$ 13,578	$ 393,209	$ 29,411	$ 1,929,831	$ 2,366,029

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit III

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
UNIVERSITY AND COLLEGES — ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

	University of Rhode Island (C 5)	Rhode Island College (C 8)	Community College of Rhode Island (C 11)	Total (memorandum only)
Revenues:				
State appropriations	$ 68,670	$ 31,286	$ 27,017	$ 126,973
Student tuition and fees	40,448	11,344	8,924	60,716
Federal appropriations		23		23
Grants, gifts, and student aid:				
Federal	29,697	4,301	2,746	36,744
State	3,071	2,259	1,509	6,839
Private	4,248		111	4,359
State asset protection	706	509	161	1,376
Educational activities		780		780
Auxiliary enterprises	26,828	5,298	2,796	34,922
Investment income			280	280
Other sources	7,162	695	745	8,602
Total revenues	180,830	56,495	44,289	281,614
Expenditures:				
Personnel services	103,953	38,280	29,255	171,488
Operating:				
Cost of sales	5,659	1,680	1,991	9,330
Out of state travel	865	134	48	1,047
Repairs	3,155	2,972	586	6,713
Utilities	4,322	1,211	1,236	6,769
Other	16,185	4,803	3,055	24,043
Sponsored programs	25,618		2,072	27,690
Student aid	9,992	4,406	2,694	17,092
Capital	7,543	1,807	1,784	11,134
Debt service:				
University obligations	1,081	232	177	1,490
State obligations	2,167	792	1,457	4,416
Total expenditures	180,540	56,317	44,355	281,212
Excess (deficiency) of revenues over expenditures	290	178	(66)	402
Other financing sources (uses):				
Proceeds from sale of building		550		550
Operating transfers in:				
Mandatory	1,049	216	177	1,442
Non-mandatory		421		421
Operating transfers out:				
Mandatory	(1,049)	(216)	(177)	(1,442)
Non-mandatory		(421)		(421)
Total other financing sources (uses)		550		550
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	290	728	(66)	952
Fund balances, July 1	22,022	4,929	1,735	28,686
Fund balances, June 30	$ 22,312	$ 5,657	$ 1,669	$ 29,638

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit IV

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

	Enterprise (F-2)	Internal Service (F-2)	Public Authorities and Corporations (J-2)	Total (Memorandum Only)
Revenues:				
Sales	$ 54,507	$ 71,317	$ 54,297	$ 180,121
Sewer assessments	19,813			19,813
Guarantee fees	503			503
Rental income	172		22,974	23,146
Grants	11,533		19,145	30,678
Interest and penalties	3,294	10	187,574	190,878
Recoveries of default payments	813			813
Other	385		1,182	1,567
Total revenues	91,020	71,327	285,172	447,519
Expenses:				
Supplies, materials, and services	20,075	71,587	66,089	157,751
Grants, scholarships, and contract programs	10,203			10,203
Prize awards	28,886			28,886
Interest on bonds and notes	2,779		156,163	158,942
Depreciation and amortization	2,485		10,626	13,111
Additions to provision for maintenance			5,000	5,000
Other	1,065		1,258	2,323
Total expenses	65,493	71,587	239,136	376,216
Excess (deficiency) of revenues over expenses	25,527	(260)	46,036	71,303
Other changes in fund equity:				
Bond principal payments			(7,130)	(7,130)
Increase in contributed capital	11,054		1,964	13,018
Distribution of fund balance			(7,214)	(7,214)
Interfund and intrafund transfers	(24,073)	384		(23,689)
Increase in unexpended funds			724	724
Miscellaneous		623	110	733
Increase in fund equity	12,508	747	34,490	47,745
Fund equity, July 1	105,935	4,667	358,096	468,698
Prior period adjustment	(173)		11	(162)
Fund equity, July 1, restated	105,762	4,667	358,107	468,536
Fund equity, June 30	$ 118,270	$ 5,414	$ 392,597	$ 516,281

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit V

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

Sources of financial resources:	Enterprise (F 3)	Internal Service (F 3)	Public Authorities and Corporations (J 3)	Total (Memorandum Only)
Operations:				
Sales	$ 74,007	$ 69,172	51,954	$ 195,133
Rental income			16,724	16,724
Grants	457		22,671	23,128
Recoveries on guaranteed loans	1,208			1,208
Other	271	1,840	12,096	14,207
Total sources from operations	$ 75,943	$ 71,012	$ 103,445	$ 250,400
Other sources:				
Proceeds from sale of bonds and notes	330		748,790	749,120
Collections of loans and mortgages	499		100,625	101,124
Interfund transfers	11,730	725		12,455
Investment earnings and other income	3,659	9	176,560	180,228
Contributed capital:				
Federal	9,537			9,537
State	1,906			1,906
Decrease in investments	7,843			7,843
Other	30		738	768
Total sources of financial resources	$ 111,477	$ 71,746	$ 1,130,158	$ 1,313,381
Uses of financial resources:				
Operations:				
Supplies, material, and services	45,574	71,941	64,954	182,469
Grants, scholarships, and contract programs	10,380			10,380
Refund of receipts	29	35		64
Total uses for operations	$ 55,983	$ 71,976	$ 64,954	$ 192,913
Other uses:				
Loans issued	236		144,483	144,719
Return of advance from general fund	1,273			1,273
Debt service	5,012		469,008	474,020
Increase in investments			357,020	357,020
Increase in other assets	197		37,599	37,796
Interfund transfers	22,159	293	1,114	23,566
Fixed assets	21,356		46,709	68,065
Other	4,702		8,980	13,682
Total uses of financial resources	$ 110,918	$ 72,269	$ 1,129,868	$ 1,313,055
Increase (decrease) in cash	$ 559	$ (523)	$ 290	$ 326
Cash, July 1	2,059	7,110	19,218	28,387
Cash, June 30	$ 2,618	$ 6,587	$ 19,508	$ 28,713

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS Exhibit VI

STATEMENT OF GENERAL REVENUES, EXPENDITURES, AND CHANGES IN AVAILABLE FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND *

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

	Legislative enacted			Variance amended budget
	Original budget	Amended budget	Actual	favorable ** (unfavorable)
General revenues:				
Taxes	$ 1,155,300	$ 1,153,917	$ 1,134,770	$ (19,147)
Licenses and fees	16,700	17,155	17,425	270
Fines and penalties	12,900	12,009	11,441	(568)
Sales and services	104,300	119,232	115,923	(3,309)
Miscellaneous revenue	10,500	13,523	13,633	110
Total general revenues	1,299,700	1,315,836	1,293,192	(22,644)
General expenditures:				
Mental Health, Retardation and Hospitals	196,743	197,171	195,033	2,138
Health	26,357	26,195	25,801	394
Human Services	244,875	250,123	248,873	1,250
Corrections	53,000	59,280	59,280	
Elementary and Secondary Education	347,155	345,612	342,856	2,756
State Library Services	4,945	4,977	4,977	
Labor	4,032	4,217	4,201	16
Environmental Management	32,233	33,719	32,418	1,301
Business Regulation	3,931	3,898	3,801	97
Transportation	71,102	70,743	68,456	2,287
Executive	41,601	38,972	33,993	4,979
State	3,277	3,709	3,582	127
Attorney General	7,565	8,547	8,501	46
Treasury	2,210	2,243	2,128	115
Administration	87,062	86,174	85,390	784
Legislative	11,333	12,176	10,538	1,638
Judicial	28,123	29,085	28,859	226
Other Commissions and Agencies	14,663	14,561	14,054	507
General	9,037	8,036	5,723	2,313
Special Legislative Appropriations	132	1,153	1,031	122
Economic Development	8,330	7,605	7,432	173
Elderly Affairs	10,967	11,444	11,265	179
Children and Their Families	57,860	58,176	58,176	
Higher Education	144,128	143,503	141,741	1,762
Workers' Compensation	1,775	1,760	1,621	139
Total general expenditures	1,402,466	1,423,079	1,399,730	23,349
Excess (deficiency) of general revenues over general expenditures	(102,766)	(107,243)	(106,538)	705
Other financing sources (uses):				
Transfers from state lottery fund	25,500	23,067	23,484	417
Transfers from reserves (G.L. 35-4)		2,000	2,003	3
Transfer to reserves (G.L. 35-3-20, 35-3-21)	(17,850)	(16,147)	(16,439)	(292)
Prior year expenditure refunds and adjustments			5,189	5,189
Appropriations carried forward from fiscal year ended June 30, 1988	10,161	10,144	10,143	(1)
Appropriations carried forward to fiscal year ending June 30, 1990			(18,930)	(18,930)
Total other financing sources (uses)	17,811	19,064	5,450	(13,614)
Decrease in available fund balance	$ (84,955)	$ (88,179)	$ (101,088)	$ (12,909)

* This exhibit reflects only the General Fund. Refer to Exhibit VII for University and College funds. Special Revenue funds do not have legislative enacted budgets.

** A favorable variance indicates that actual revenues are greater than amended budget or actual expenditures are less than amended budget. An unfavorable variance indicates that actual revenues are less than amended budget or actual expenditures are greater than amended budget.

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit VII

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES - BUDGET AND ACTUAL - UNIVERSITY AND COLLEGES - GENERAL EDUCATIONAL FUNDS

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

	Budget			Variance
	Executive/ legislative as enacted	Board of Governors for Higher Education final allocation	Actual	Board of Governors favorable ** (unfavorable)
Revenues:				
State appropriations	$ 123,328	$ 127,684	$126,973	$ (711)
Student tuition and fees	53,529	60,105	60,716	611
Indirect costs recovered	6,042	6,509	6,363	(146)
Other sources	5,371	6,080	5,936	(144)
Sales and services, educational activities	1,594	890	955	65
Total revenues	189,864	201,268	200,943	(325)
Expenditures and encumbrances:				
Personnel services	138.904	148,752	149,248 *	(496)
Operating:				
Out of state travel	516	601	629 *	(28)
Repairs	4,312	3,387	3,577 *	(190)
Utilities	5,712	5,554	5,256 *	298
Other	17,995	18,682	17,799 *	883
Workers' compensation	175	300	313 *	(13)
Total operating	28,710	28,524	27,574	950
Student aid	7,882	8,465	8,432 *	33
Capital	8,066	8,425	8,732 *	(307)
Debt service	4,272	4,272	4,416	(144)
Academic college overhead	2,030	2,830	2,421	409
Total expenditures and encumbrances	189,864	201,268	200,823	445
Excess of revenues over expenditures and encumbrances			120	120
Other financing sources (uses):				
1988 academic college carry forward			1,174	1,174
Transfers out:				
Mandatory			(20)	(20)
Non-mandatory			(421)	(421)
Allocation to:				
Academic college overhead			(845)	(845)
Excess of revenues and other financing sources over expenditures and encumbrances	$	$	$ 8	$ 8

* Includes year end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

The accompanying notes are an integral part of this financial statement.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Notes to Combined Financial Statements
June 30, 1989

Note 1. Summary Of Significant Accounting Policies

A. Basis of Presentation

The accompanying general purpose financial statements have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

The general purpose financial statements include all funds and account groups of the State of Rhode Island (the "state") as well as agencies, boards, commissions, public benefit corporations and other organizational entities for which the state has oversight responsibility, or for which financial interdependency exists. A complete list of these entities is contained in Note 12. The Rhode Island Health and Educational Building Corporation is not included in the reporting entity because it does not meet the criteria of interdependency and oversight.

The general purpose financial statements have been prepared from accounts maintained by the State Controller and from reports prescribed by the State Controller and prepared by agencies, boards, commissions, public benefit corporations and other entities based on independent accounting systems maintained by those entities.

The state uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The state records its transactions in the fund types and account group described below.

Governmental Fund Types

General is the general operating fund of the state and is used to account for all financial transactions except those required to be accounted for in another fund. Included within this fund are the operations of most jointly financed state federal programs.

Special Revenue is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes and where a separate fund is mandated.

Capital Projects is used to account for the proceeds of general obligation bonds, related federal funds, and the proceeds of lease participation certificates used to finance the acquisition or construction of capital projects other than those accounted for in proprietary funds.

Proprietary Fund Types

Enterprise is used to account for the self supporting activities of state governmental units which render services on a user charge basis to the general public.

Internal Service is used to account for the financing and providing of specified goods and services, on a centralized basis, for other departments and agencies.

Public Authorities and Corporations is used to account for separate units of government that are not under the direct control of the state, but because of financial interdependency and/or exercise of oversight responsibility are considered part of the state reporting entity.

Fiduciary Fund Types

Trust and Agency is used to account for transactions related to assets held by the state in a trustee or agency capacity.

University and College Fund Types

University and College is used to account for the activities of the state university and colleges. The governmental fund types, which finance most educational functions of the university and colleges include the general educational fund, special revenue funds, debt service funds and capital project funds. In addition, the institutions use fiduciary funds to account for funds held for others and a general long-term debt account group to account for debt.

Account Group

General Long Term Debt Account Group is used to account for all unmatured general long term debt other than debt accounted for in the proprietary funds.

B. Basis of Accounting

The financial statements of all governmental and fiduciary funds are prepared on the modified accrual basis of accounting.

Revenues and related receivables are recorded in the accounting period that they become both measurable and available, i.e., earned and collected or expected to be collected within the next 12 months. Tax revenues are recorded by the state as taxpayers earn income (personal and business income taxes) or as sales are made (sales and use taxes) or as cash is received (miscellaneous taxes). Estimated refunds of personal and corporate income taxes are not accrued and are payable from revenues of the year in which the refunds are actually paid.

Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid within the next 12 months, except for vacation and sick pay and interest on general long term obligations which are recorded when paid.

Unexpended restricted revenues and unexpended general and special appropriations, as reappropriated by the Governor, are carried forward at year end and are available for expenditure in the following year. The amount reappropriated, reflected in the combined balance sheet as part of fund equity, is accounted for as a use of resources in the current year and a source of resources in the subsequent year.

The financial statements of all proprietary funds are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The financial statements of the university and colleges have been prepared in accordance with the basis of accounting which conforms with generally accepted accounting principles prescribed for state and local government units. Such practices differ from generally accepted accounting principles for colleges and universities.

Governmental and fiduciary funds of the university and college fund type are prepared on the modified accrual basis of accounting.

C. Cash

Cash represents amounts in demand deposit accounts with financial institutions.

D. Funds on Deposit with Fiscal Agent

Funds on deposit with fiscal agent includes $287,019,932 held by the United States Treasury Department for the payment of unemployment benefits.

E. Investments

Short term investments and equity securities are stated at cost. Long term fixed income investments are stated at par value.

F. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts.

G. Due From Other Governments And Agencies

Due from other governments and agencies represent principally amounts owed to the state in reimbursement of federal expenditures.

H. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the combined balance sheet.

I. Inventories

Inventory type items acquired by governmental funds are accounted for as expenditures at the time of purchase.

Inventories of the university and college funds, such as bookstore, dining, health and residential life services items are stated at the lower of cost or market.

Inventories of the proprietary funds are stated at cost.

J. Deferred Compensation Held By Insurance Companies

Investments related to deferred compensation programs are carried at market value in the combined balance sheet. An identical amount is recorded under liabilities as a due to state employees deferred compensation plan.

K. Fixed Assets

The cost of fixed assets acquired by governmental funds and the university and college funds is accounted for as an expenditure upon purchase.

A statement of general fixed assets is not included herein since the information required to prepare such a statement has not been fully developed.

The cost of fixed assets used by the enterprise funds and public authorities and corporations is capitalized and depreciation is provided on a straight line basis over the estimated useful lives of the assets, except that the R.I. Turnpike and Bridge Authority provides no depreciation in accordance with the specific provisions of the trust agreement governing its operations. The R.I. Turnpike and Bridge Authority, in accordance with the provisions of its trust agreement, provides amounts, based upon the recommendation of consulting engineers for non-annually recurring expenses.

Fixed assets used in the operations of internal service funds are generally financed by state appropriations to the user departments and agencies. Accordingly, the cost of these assets and related depreciation is not reflected in the financial statements of those internal service funds. However, certain internal service funds, beginning in 1988, have used capital leases to finance certain assets. Since the lease costs are recovered through service charges, such assets and related debt have been accounted for, beginning in 1989 retroactive to 1988, within the internal service funds. These assets are depreciated over their estimated useful lives.

L. Other Assets

Depletion of licensed landfill acreage and sludge area and of mineral deposits is computed over the estimated useful capacity of the site, or based on the amount of mineral deposits sold or used internally, respectively.

Acquisition and financing costs associated with the development of proposed recovery facilities by the R.I. Solid Waste Management Corporation have been deferred as they may be recoverable from future revenues.

The Convention Center Authority has deferred all operating expenses and consulting and professional fees incurred through June 30, 1989. Once the authority commences operations, these deferred development costs will be amortized over a period of approximately 5 years except for deferred financing and legal fees, which will be amortized over the life of the bonds.

M. Rentals Due

Rentals due for payment of principal and current interest on revenue bonds represents amounts due from the state, principally the general fund, for lease payments to the R.I. Public Buildings Authority as required under several lease arrangements relating to capital projects financed by the Authority.

N. Long-Term Obligations

The liabilities reported in the general long-term debt account group include general obligation bonds, lease participation certificates payable, lease obligations to the R.I. Public Buildings Authority, a loan payable to the R.I. Refunding Bond Authority and arbitrage rebate liabilities.

Long term liabilities expected to be financed from proprietary fund and university and college fund operations are accounted for in those funds.

O. Bond Discounts/Issuance Costs

In governmental fund types, bond proceeds are recorded net of bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are generally deferred and amortized over the term of the bonds using either the straight-line or interest methods. Bond discounts are presented as a reduction of the face amount of bonds payable.

P. Accounting for Capital Leases

The construction of certain state office buildings, campus facilities and other public facilities, as well as certain equipment acquisitions, have been financed through bonds and notes issued by the R.I. Public Buildings Authority or by a trustee pursuant to a master lease/purchase agreement with the state (see note 4).

These lease/purchase contracts are capital leases for which the principal portion of the state's rental payments over the duration of the agreements constitute long-term liabilities. The amounts reported as liabilities in the general long-term debt account group for such leases consist of the total future principal payments and equal the outstanding balance of the related bonds and notes less any amounts held in debt service reserve funds.

Q. Accrued Liabilities

Accrued liabilities generally represent accrued interest in the proprietary fund types and accrued salary and fringe benefits in the governmental fund types.

R. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from the federal or state governments. Depreciation expense is recognized on assets acquired or constructed with these funds. Certain funds record transfers from contributions in aid of construction to retained earnings in an amount equal to the annual depreciation charge.

Unexpended funds represent those portions of bond proceeds of certain proprietary funds that have not yet been expended.

Reserved fund balances represent amounts which are not available for appropriation or which are legally reserved for a specific purpose.

Fund balances reserved for encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of available resources is utilized in certain funds.

Designated fund balances represent amounts segregated to indicate tentative plans for future use of financial resources.

S. Budget and Actual

The general fund is the only fund that has a legislative enacted budget. The budget is adopted on a basis consistent with generally accepted accounting principles. Exhibit VI compares budgeted and actual general revenues, expenditures, and changes in fund balance. The original legislative enacted budget reflects the budget passed by the General Assembly and signed by the Governor, and reappropriations made by the Governor at June 30, 1988. The amended budget reflects revisions to revenue estimates, supplemental appropriations for the fiscal year, and certain special appropriations enacted by the General Assembly in the 1988 and 1989 sessions.

Expenditures reported on Exhibit VII - Combined Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - University and Colleges - General Educational Funds include encumbrances at year end.

T. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present results of operations or changes in financial position in conformity with generally accepted accounting principles, nor are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

U. Vacation and Sick Pay

Unpaid accumulated vacation and sick pay are not accrued. Vacation pay may be discharged, subject to limitations as to carry-over from year to year, by future paid leave or by cash payment upon termination of service. Sick pay may be discharged by payment for an employee's future absence caused by illness or, to the extent of vested rights, by cash payment upon death or retirement. The determination of the amount of these accumulations has not been completed, and accordingly, no liability has been recorded in the accompanying combined balance sheet.

V. Restatement

The financial statements at June 30, 1988 included the general fund's liability of $9,458,506 to the Employees' Retirement Fund for employer contributions, but not the Employees' Retirement Fund's related interfund receivable. The 1989 financial statements include a restatement of 1988 amounts previously reported to correct this omission from the Employees' Retirement Fund.

Note 2. Cash Deposits And Investments

Cash Deposits

At June 30, 1989, the carrying amount of the state's cash deposits was $504,759,766 and the bank balance was $511,882,973. Of the bank balance, $15,955,383 was covered by federal or state depository insurance and $495,927,590 was uninsured and uncollateralized. The carrying amount and the bank balance includes $366,003,937 of certificates of deposit, $47,726,450 of eurodollar certificates of deposit and $29,700,000 of eurodollar time deposits. Certificates of deposit, eurodollar certificates of deposit and eurodollar time deposits are included with investments on the combined balance sheet.

Investments

The state's investments, expressed in thousands, are categorized in the following table to give an indication of the level of risk assumed by the entity at June 30, 1989.

- Category 1 includes investments that are insured or registered or for which the securities are held by the state or its agent in the state's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's, broker's or dealer's trust department or agent in the state's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, broker or dealer; or investments held by the financial institution's, broker's or dealer's trust department or agency but not in the state's name.

	Category			Carrying Amount	Market Value at June 30, 1989
	1	2	3		
U.S. Government Securities and U.S. Government Agency Securities	$ 956,282	$	$ 5,264	$ 961,546	$1,026,089
Commercial Paper	35,500	4,802	164,834	205,136	205,580
Repurchase Agreements	1,058	366,435	200,219	567,712	567,712
Corporate Bonds and Notes	119,704			119,704	113,262
Equity Securities	771,852			771,852	1,002,768
Municipal Bonds	13,000			13,000	13,000
Foreign Securities	65,662			65,662	62,583
Other	35,740	1,400		37,140	38,245
	$1,998,798	$ 372,637	$370,317	$2,741,752	$3,029,239
Money Market Funds				162,091	162,091
Investment Agreements				72,974	72,974
Other				1,340	1,340
				$2,978,157	$3,265,644

The carrying amount of investments of the general fund ($77,775,973) exceeds their market value at June 30, 1989 ($77,282,565) by $493,408.

Restricted revenues of the general fund include income on investments of the highway, bond capital, and water development funds, amounting to $604,084, $4,192,103, and $105,279, respectively, which, as provided in the general laws, is income of the general fund rather than the recipient funds.

Note 3. Receivables

Receivables at June 30, 1989, expressed in thousands, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Public Authorities and Corporation	University and Colleges	Trust and Agency
Receivables:								
Taxes	$65,298	$3,470	$	$	$	$	$	$
Accounts	16,551	2,201	82	10,954	2,360	6,947	9,851	106
Accrued Interest				90		30,364	39	
Notes and Loans				3,098		1,090,618	11,441	
Gross Receivables	81,849	5,671	82	14,142	2,360	1,127,929	21,331	106
Less: Allowance for Uncollectible and Unavailable	8,479	807		436		730	2,086	
Net Total Receivables	$73,370	$4,864	$ 82	$13,706	$2,360	$1,127,199	$19,245	$106

Public Authorities and Corporations

Loans receivable of the R.I. Housing and Mortgage Finance Corporation are secured by a first lien on real and personal property and, in some instances, are federally insured. Loans receivable of the R.I. Student Loan Authority are insured by the R.I. Higher Education Assistance Authority, which in turn has a reinsurance agreement with the federal government. Notes receivable of the R.I. Port Authority and Economic Development Corporation include principal and interest on a loan made for the purpose of constructing and equipping a shipbuilding facility. Loans receivable of the R.I. Refunding Bond Authority represent amounts borrowed by the state to advance refund bonds (See Note 4).

Other

Amounts loaned to public corporations are reimbursable to the fund balance of the general fund in accordance with conditions set forth in the statutes authorizing such loans. The General Laws provide that all payments made by the R.I. Turnpike and Bridge Authority to the general fund for amounts loaned to the authority for payments of bond interest on state guaranteed bonds shall, if requested in writing by the director of administration, be deposited to a restricted account to be used for the payment of debt service cost (principal and interest) for state general obligation bonds.

The following loans to enterprise funds and public authorities and corporations are outstanding at June 30, 1989.

R.I. Turnpike and Bridge Authority (Ch. 43, P.L. 1965; Ch. 228, P.L. 1966; Ch. 183, P.L. 1967) To be repaid when Authority funds are available.	$5,300,000
Howard Development Corporation (Ch. 150, P.L. 1974) To be repaid when developed properties are sold or otherwise profitably used.	400,000
Narragansett Bay Water Quality Management District Commission (Ch. 342, P.L. 1980) To be repaid when the Commission is self-supporting.	200,000
R.I. Solid Waste Management Corporation (Ch. 287, P.L. 1986) To be repaid in five installments of $200,000 per year commencing with the fiscal year beginning on July 1, 1986, with the total amount to be fully repaid by June 30, 1991.	400,000
Total	$6,300,000

The loans reflected above represent long-term receivables. Accordingly, they are not included as assets of the general fund at June 30, 1989.

Note 4. Long-Term Obligations

Long term obligations include bonds, notes and loans payable, obligations under capital leases, and arbitrage rebate payable.

Bonds Payable

Bonds payable, expressed in thousands, at June 30, 1989 are summarized as follows:

General obligation bonds		$ 379,473
Revenue Bonds of the university and colleges:		
University of Rhode Island	$ 6,180	
Rhode Island College	2,469	
Community College of Rhode Island	2,901	11,550
Bonds (guaranteed by the state) of enterprise funds:		
Blackstone Valley District Commission	17,610	
Narragansett Bay Water Quality Management District Commission	7,580	25,190
Bonds of public authorities and corporations (Net of bond discount and premium)		
R.I. Housing and Mortgage Finance Corporation	1,525,482	
R.I. Turnpike and Bridge Authority	47,185	
R.I. Public Buildings Authority	150,844	
R.I. Solid Waste Management Corporation	166,980	
R.I. Refunding Bond Authority	17,120	
R.I. Student Loan Authority	222,886	2,130,497
		$2,546,710

General obligation bonds, revenue bonds of the university and colleges, revenue bonds of the enterprise funds, and bonds of public authorities and corporations mature as follows (expressed in thousands):

Fiscal Year Ending June 30	General Obligation	University and Colleges	Enterprise	Public Authorities and Corporations	Total
1990	$ 38,781	$ 722	$ 1,265	$ 266,192	$ 306,960
1991	35,024	572	1,325	68,251	105,174
1992	31,270	577	1,405	66,975	100,227
1993	30,005	620	1,490	65,510	97,625
1994	26,329	669	1,550	59,920	88,468
Thereafter	218,064	8,390	18,155	1,608,718	1,853,327
Total	$379,473	$11,550	$25,190	$2,135,568	$2,551,781

General obligation bonds of the state are serial bonds with interest payable semi annually, except for $46,373,354 of capital appreciation bonds designated as College and University Savings Bonds. The College and University Savings Bonds mature in varying amounts to 2009 with all interest payable at maturity.

Revenue bonds of the university and colleges were issued under trust indentures and are collateralized by a pledge of revenues from the facilities financed. The facilities include housing, student union (including bookstores) and dining operations. Under terms of the trust indentures, certain net revenues from these operations must be transferred to the trustees for payment of interest, retirement of bonds, and maintenance of facilities. The bonds are payable in annual or semi annual installments to various maturity dates.

Bonds of the R.I. Housing and Mortgage Finance Corporation are special obligations of the Corporation, payable from the revenue, prepayments and all the funds and accounts pledged under the various bond resolutions to the holders of the bonds. The proceeds of the bonds were generally used to acquire mortgage loans which are secured principally by a first lien upon real property and improvements.

The revenue bonds of the R.I. Turnpike and Bridge Authority ($47,185,000) include bonds guaranteed by the state ($31,000,000) and term bonds ($16,185,000) that require sinking fund payments for the next five years as follows: 1990 $850,000; 1991 $900,000; 1992 $950,000; 1993 $1,000,000; and 1994 $1,050,000. During the fiscal year ended June 30, 1989 the Authority redeemed $855,000 of revenue bonds and realized a gain on redemption of $105,313.

Revenue bonds of the R.I. Public Buildings Authority are secured by lease rentals payable by the state pursuant to lease agreements relating to projects financed by the authority and leased to the state (see Obligations under Capital Leases). Proceeds from the R.I. Public Buildings Authority bonds have been used to finance construction and renovation of certain buildings and acquisition of equipment used by various state agencies. The authority has eight series of revenue bonds outstanding amounting to $155,915,000 less unamortized discount and cost of issuance of $5,070,947. These bonds have interest rates ranging from 4.0% to 10.5% and mature at various dates through the year 2009.

The R.I. Solid Waste Management Corporation had outstanding Solid Waste Disposal Revenue Bonds of $166,980,141 at June 30, 1989, consisting of:

$1,100,000, Series A, 11.2%, with maturities from 1989 to 1991.

$2,020,141, Series B, 6.75% with maturities from 1989 to 1991.

$160,000,000, weekly adjustable/fixed rate, with maturities from 1994 to 2008.

$1,200,000, Central Landfill Garage Project, interest rates from 5.1% to 7.125% with maturities from 1989 to 1993.

$2,660,000, Materials Recovery Facility Project, 9.25%, with maturities from 1989 to 1992.

The weekly adjustable/fixed rate bonds ($160,000,000) are guaranteed by an irrevocable letter of credit issued by two banks, which expired on December 15, 1989 and was subsequently extended by one bank to December 15, 1990.

The R.I. Refunding Bond Authority has outstanding, $17,120,000 of revenue bonds. The proceeds of these bonds were used to loan funds to the state to effect the advance refunding of general obligation bonds issued by the state in 1984.

The R.I. Student Loan Authority issued tax exempt Variable Rate Student Loan Revenue Bonds with a face value of $223,600,000. Interest is payable monthly at variable rates. The bonds are due December 1, 2005. The bonds, secured by the student loans, the restricted funds and all related income, are guaranteed by an irrevocable letter of credit issued by the Student Loan Marketing Association which expires on December 21, 1993.

The R.I. Industrial Facilities Corporation has issued in aggregate $560,301,300 of revenue bonds, equipment acquisition notes, and construction loan notes to finance various capital expenditures for Rhode Island business entities. The bonds and notes issued by the corporation are not general obligations of the corporation and are payable solely from the revenues derived from the related projects. They neither constitute nor give rise to a pecuniary liability for the corporation nor do they represent a charge against its general credit. Under the terms of the various indentures and related loan and lease agreements, the business entities make loan and lease payments directly to the trustees of the related bond and note issues in amounts equal to interest and principal payments due on the respective issues. The payments are not shown as receipts and disbursements of the corporation.

At June 30, 1989, the following bonds were authorized but unissued: general obligation bonds to finance capital projects $411,204,746; bonds for enterprise funds $93,814,000, including $80,000,000 for the R.I. Industrial Recreational Building Authority, $8,255,000 for the Blackstone Valley District Commission and $5,559,000 for the Narragansett Bay Water Quality Management District Commission. The amount of authorized bonds that may be issued by the R.I. Industrial Recreational Building Authority is limited by mortgage balances that it has insured, $23,730,161 at June 30, 1989.

See Note 8 for information concerning contingent liabilities relating to "Moral Obligation" bonds.

Notes Payable

Notes payable, expressed in thousands, of public authorities and corporations and enterprise funds at June 30, 1989 are as follows:

	Public Authorities and Corporations	Enterprise Funds	Total
R.I. Water Resources Board Corporate, bond anticipation notes, 5.75%, due 1990	$ 4,700	$	$ 4,700
R.I. Solid Waste Management Corporation, principally bond anticipation notes, 6.54% 6.75%, due 1990	14,400		14,400
R.I. Public Transit Authority, bank note, at prime plus 1/2% due 1990	550		550
R.I. Public Buildings Authority, principally project acquisition promissory notes, 10% 11%, due 2007 through 2010	23,323		23,323
Convention Center Authority, principally bond anticipation notes, ($8.4 million at 6.85% and $26.030 million at prime rate) due 1990	34,430		34,430
R.I. Higher Education Assistance Authority notes payable to the Student Loan Marketing Association, 1.25% to 1.5% above the Federal Treasury Bill rate, due 1990 1994		1,209	1,209
Narragansett Bay Water Quality Management District Commission, mortgage note, interest rate is 81% of prime, payable through 2001		908	908
	$77,403	$2,117	$79,520

The R.I. Public Buildings Authority has obtained title to certain land and buildings previously owned by the state in exchange for project acquisition promissory notes. These notes, amounting to $21,422,878 as of June 30, 1989, are secured by lease rentals payable by the State of Rhode Island.

The Convention Center Authority has available borrowing capacity under a $42,000,000 bond anticipation note with a local bank. As of June 30, 1989 the Authority had borrowed $26,029,958 under this capacity. In addition, the Authority had $8,400,000 of- land acquisition financing notes outstanding at June 30, 1989. The notes are payable from the proceeds of the sale of a renewal note or permanent bonds.

Both of the above notes are secured by all rents receivable under a lease and agreement between the Authority, the State of Rhode Island and the City of Providence covering all property purchased by the Authority for the site, and a mortgage on such property. The lease and agreement, which expires on the later of January 1, 1990 or the final maturity date of the notes or bonds, requires rental payments by the State of Rhode Island and City of Providence equal to the net debt service payments on the notes and all administrative expenses of the Authority not previously financed by operations or by the issuance of notes or bonds.

Loans Payable

The loans payable reflected in the state's general long term debt account group, $16,870,000, represents amounts borrowed from the R.I. Refunding Bond Authority to effect the advance refunding of certain 1984 general obligation bonds of the state. The obligation of the state to make payments to the R.I. Refunding Bond Authority is subject to and dependent upon appropriations being made by the General Assembly for such purposes.

Loans payable of the enterprise funds represent liabilities of the Narragansett Bay Water Quality Management District Commission to the City of Providence ($7,501,849 at June 30, 1989) and to the R.I. Refunding Bond Authority ($250,000). The amounts due to the city are liabilities assumed by the commission upon the acquisition of the city's sewage treatment facilities. The proceeds of the loan from the R.I. Refunding Bond Authority were used to effect the advance refunding of the commission's share of the state's 1984 general obligation bonds.

Obligations Under Capital Leases

The state has entered into capital lease agreements with the R.I. Public Buildings Authority for construction, acquisition, or renovation of certain public buildings, and acquisition of computer equipment and related software. Under the agreements, the state will pay rent consisting of the following amounts:

1. Semiannual debt service payments required to retire revenue bonds and pay the interest thereon.
2. Note interest expense payable by the authority.
3. Annual administrative expenses of the authority.
4. Any sums necessary to cover construction costs which exceed the proceeds from the sale of initial bonds.

At the end of the lease period, the state may purchase the property for a nominal amount. Purchase may be made at any time prior at an amount sufficient to pay all outstanding bonds and notes and all other obligations incurred in connection with the project plus the sum of $1.00.

The state's obligation to the R.I. Public Buildings Authority consists of the balance of the authority's revenue bonds outstanding less monies held in debt service reserve funds by the authority. The amount (principal only), which is repayable directly through general fund appropriations, is reflected in the general long term debt account group at June 30, 1989.

The state has also issued five series of lease participation certificates under the "Master Lease Program" for the purpose of acquiring capital equipment. The lease participation certificates generally mature in annual installments over five years from the date of issuance. Obligations under lease participation certificates are reflected in the table below.

The portion of the obligation under lease participation certificates (principal only) that is payable from general fund appropriations is reflected in the general long term debt account group at June 30, 1989.

The following is a summary of future minimum lease payments, expressed in thousands, required under capital leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 1989:

Fiscal Year Ending June 30	R.I. Public Buildings Authority	Master Lease	Total
1990	$ 19,228	$ 6,444	$ 25,672
1991	16,600	4,353	20,953
1992	16,369	3,238	19,607
1993	16,134	1,851	17,985
1994	16,608	253	16,861
Later Years	187,075		187,075
Total future minimum lease payments	272,014	16,139	288,153
Less: Amount representing interest	114,199	1,589	115,788
Present value of future minimum lease payments	$157,815	$14,550	$172,365

Obligations of the state to make payments under lease agreements is subject to and dependent upon appropriations being made by the General Assembly.

Arbitrage Rebate Payable

Income on invested bond proceeds, determined to be arbitrage earnings in accordance with federal regulations, have been included in the general long term debt account group. These amounts are generally payable to the federal government five years from the date the bonds were issued.

Changes in General Long-Term Debt

During the year ended June 30, 1989, the following changes (expressed in thousands) occurred in liabilities reported in the general long-term debt account group:

	Balance July 1	Additions	Reductions	Balance June 30
General obligation bonds payable	$336,725	$135,868	$(93,120)	$379,473
Lease participation certificates payable	10,779	1,951	(2,711)	10,019
Loan payable to R.I. Refunding Bond Authority	19,840		(2,970)	16,870
Lease obligations to the R.I. Public Buildings Authority	116,012	21,290	(6,810)	130,492
Arbitrage rebate payable		705		705
Total	$483,356	$159,814	$(105,611)	$537,559

Defeased Debt

In prior years, the state advance refunded certain general obligation bonds. For those advance refundings, the proceeds of the new bonds were placed in irrevocable trusts to provide for future debt service payments on the old bonds. At June 30, 1989, $43,410,000 of general obligation bonds are considered defeased through advance refundings.

The R.I. Public Buildings Authority had also effected advance refundings of certain revenue bonds. At June 30, 1989, approximately $65,312,000 was in escrow to be used to repay $59,705,000 of defeased bonds.

During the fiscal year ended June 30, 1987, the City of Providence undertook to refund two bond issues for which the Narragansett Bay Water Quality Management District Commission had partial responsibility under an assumption agreement dated May 1, 1982. The commission concurred and participated in the refunding for its share of the outstanding long-term debt. As of June 30, 1989, the commission's share of the defeased bonds which remain outstanding was $6,524,514.

Note 5. Other Reserves-General Fund

The state maintains certain reserves within the general fund in accordance with the general laws. These reserves accumulate in the general fund until withdrawn by statute or used for the intended purposes pursuant to the enabling legislation.

The State Budget Reserve and Cash Stabilization Account is to be used solely for providing funds to offset any unanticipated general fund deficit caused by a general revenue shortfall. During fiscal year 1989, 40% of lottery fund transfers to the general fund have been allocated to this reserve.

The Public Facilities Asset Protection Account is designed to provide funds for repairs and capital improvements to state-owned facilities. During fiscal year 1989, 30% of lottery fund transfers to the general fund have been allocated to this reserve.

Other reserves include temporary working capital advances to internal service funds and departmental imprest cash advances. The following table summarizes the activity (in thousands) of these reserve accounts for the fiscal year ended June 30, 1989:

	Reserved Fund Balance July 1, 1988	Additions	Reductions	Reserved Fund Balance June 30, 1989
State Budget Reserve and Cash Stabilization Account	$27,981	$ 9,394	$	$37,375
Federal Reduction Relief Account	2,003		(2,003)	
Public Facilities Asset Protection Account	6,714	7,045	(4,613)	9,146
Other Reserves	5,023	606		5,629
Total	$41,721	$17,045	$ (6,616)	$52,150

Note 6. Operating Lease Commitments

The state is committed under numerous operating leases covering real property. Operating lease expenditures totaled approximately $8,200,000 for the fiscal year ended June 30, 1989.

Most of the operating leases contain an option allowing the state, at the end of the initial lease term, to renew its lease at the then fair rental value. In most cases, it is expected that these leases will be renewed or replaced by other leases.

The following is a summary of future minimum rental payments, expressed in thousands, required under operating leases that have initial or remaining lease terms in excess of one year as of June 30, 1989:

Fiscal Year Ending June 30	
1990	$ 5,706
1991	3,722
1992	2,469
1993	1,861
1994	525
Later Years	1,671
Total	$15,954

The total minimum payments shown above have not been reduced by any sublease receipts, which are immaterial.

Note 7. Commitments

Commitments, expressed in thousands, arising from encumbrances outstanding at June 30, 1989 are summarized as follows:

General fund ($15,200 to be funded by federal funds, $3,300 to be funded substantially by appropriations carried forward and $1,000 from other sources)	$ 19,500
University and colleges (to be funded principally from current fund balance)	6,200
Special revenue funds	159,300
Capital projects funds	79,800
	$264,800

The Narragansett Bay Water Quality Management District Commission and the Blackstone Valley District Commission have entered into various engineering and construction contracts for the design and improvement of their facilities as part of a capital improvement program. Commitments under these contracts aggregated approximately $18,200,000 and $5,800,000, respectively at June 30, 1989.

On June 1, 1989, a consent order was entered into by the R.I. Solid Waste Management Corporation, the Town of Johnston (location of the Corporation's landfill) and the state. The order requires among other things, the closing of the landfill by July 1, 1994 for primary commercial and municipal waste and July 1, 2009 for non hazardous secondary waste; identification by no later than December 31, 1990 of at least three additional landfill sites; and payment monthly to the Town of Johnston, starting July 1, 1989, the greater of $1,100,000 annually or $1.10 per ton of waste disposed of at the landfill. The cost for the acquisition and development of the aforementioned three landfill sites cannot be determined at this time but is believed to be substantial.

The R.I. Solid Waste Management Corporation estimated that a minimum of $33,000,000 (present value dollars) will be required for final landfill post closure costs. Accordingly, approximately $2,900,000 is being charged annually to operations to provide for these post closure costs.

In 1989, the General Assembly passed a law giving the R.I. Solid Waste Management Corporation the right of eminent domain to acquire residential properties within 1000 feet of the entire operational portion of the Corporation's landfill. An additional buffer zone area from 1,000 to 2,000 feet is to be acquired by negotiated purchase. Management estimates a range of $20,000,000 to $31,000,000 will be necessary to complete the program. The purchase is to be financed from revenues generated by use of the landfill and from other sources as may be available.

The R.I. Solid Waste Management Corporation entered into an agreement with a remarketing agent in connection with its Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds. The agreement is to be in effect until the bonds are converted to a fixed rate of interest and provides for an annual fee based on the principal amount of bonds outstanding. For the year ended June 30, 1989, approximately $200,000 was expended for this purpose.

On January 21, 1987, the R.I. Solid Waste Management Corporation entered into a contract with a vendor for the construction and operation of a resource recovery facility in North Kingstown. The contract construction cost is $71,985,000 and is subject to various escalations should construction commence after June 30, 1987. Construction had not started as of February 26, 1990 and the escalated construction cost at June 30, 1989 is estimated to be $82,227,000. Construction is dependent upon, among other things, the successful defense against litigation by the host community seeking to prevent construction of the facility (See Note 8 Contingencies), obtaining necessary permits and successful negotiations for the acquisition of land necessary to site the facility. The facility is expected to be operational approximately 34 months after construction commences. The facility is to be funded with the corporation's escrowed funds received from the prior sale of Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds (see Note 4).

On January 20, 1988 the R.I. Solid Waste Management Corporation entered into a contract with a vendor for the design, construction, operation and maintenance of a second resource recovery facility to be located in the Town of Johnston. The contract construction cost is $79,966,000 and is subject to escalations which became effective January 20, 1989. Construction is dependent upon, among other things, the issuance of bonds to finance the facility, obtaining necessary permits, and the signing of mutually agreeable energy purchase contracts. The operation and maintenance contract is to cost $4,534,000 per year for a twenty-year period and is subject to various escalations.

The R.I. Solid Waste Management Corporation is committed, under various contracts and agreements, for a materials recovery facility, a methane gas collection-flare system and municipal improvements to the Town of Johnston.

In addition, the R.I. Solid Waste Management Corporation is required to grant funds to municipalities to assist them in organizing source separation and recycling programs in their communities.

The R.I. Solid Waste Management Corporation has entered into an agreement with the City of Cranston to furnish sewer and water services to the corporation's Johnston facilities in exchange for payments by the corporation, representing its share of construction costs, impact fees and standard user fees.

The R.I. Housing and Mortgage Finance Corporation had loan purchase commitments of $108,819,065 under various loan programs at June 30, 1989.

The R.I. Student Loan Authority had loan purchase commitments of approximately $6,400,000 at June 30, 1989.

The R.I. Turnpike and Bridge Authority has entered into various contracts for maintenance of its bridges. At June 30, 1989 remaining commitments on these contracts approximated $6,400,000.

Note 8. Contingencies

The state is involved in various civil lawsuits which could result in monetary loss to the state. The lawsuits are in various developmental stages, some to the point that a favorable decision, with no or minimal loss is anticipated, others, where the outcome and amount of loss, if any, cannot be determined and others which are still in the discovery stage.

Enterprise Funds

The R.I. Higher Education Assistance Authority has brought suit in the United States District Court challenging the federal Department of Education's (ED) denial of the Authority's waiver request for "excess cash reserve" repayment and to have the authorizing legislation declared unconstitutional. The ED collected $2,785,156 deemed to be "excess cash reserves" by withholding reinsurance payments due the Authority during fiscal year 1989. Although the outcome of this suit is presently undeterminable, the management of the Authority and its attorney believe that the Authority will ultimately prevail. At June 30, 1989 the Authority has recorded $2,785,156 as a receivable from the ED. In the event the Authority is unsuccessful, the $2,785,156 will reduce the Authority's fund balance as an other financial use.

Public Authorities and Corporations

The United States Department of Justice, Civil Division (Civil Division), representing the United States Small Business Administration (SBA), began an investigation in February 1984 concerning possible civil claims against the R.I. Industrial Facilities Corporation arising out of the delivery by the SBA of its guaranty of obligations of Inge Company, Inc. to the corporation, which obligations are held in trust for the benefit of holders of $5,000,000 face amount of Rhode Island Industrial Facilities Corporation Pollution Control Revenue Bonds for Small Business (base loan payments fully guaranteed by the United State Small Business Administration). In May 1986, the corporation, the Civil Division and two other parties entered into a non-binding alternative dispute resolution agreement under which the parties have presented their respective positions relating to this dispute to a panel of two persons, who agreed to provide a written decision setting forth their conclusions concerning the Civil Division's prospects of recovery in a litigation of its claims against the corporation and the other parties. The alternative dispute resolution procedure was completed in July, 1987 when the panel issued its decision which concluded that the Civil Division would not be able to recover any of its claims against the corporation. It is the corporation's legal counsel's understanding that the Justice Department has abandoned its effort to pursue claims against the corporation, although the Justice Department has declined to confirm this fact in writing.

The R.I. Solid Waste Management Corporation has deferred amounts expended for consulting services associated with the development of proposed recovery facilities ($7,322,143 at June 30, 1989) as they may be recoverable in future revenue. Realization of these costs is dependent upon the successful development of the proposed facilities, the outcome of which cannot be determined at this time.

An action, commenced by the Town of North Kingstown, seeking to block the issuance of bonds of the R.I. Solid Waste Management Corporation and to prevent the construction of a solid waste management facility in that community, is pending in the Rhode Island Superior Court.

The Environmental Protection Agency has issued administrative orders and entered into a consent decree with the R.I. Solid Waste Management Corporation, which will require substantial environmental studies of the central landfill which the corporation operates in Johnston, Rhode Island. It is not practical to estimate the total expenditure that may be required,both during any study phases and to effect any remedies for whatever environmental hazards may be disclosed through these studies. Additionally, in May 1986, the corporation was named to the Environmental Protection Agency's Superfund National Priorities List, which in itself carries additional exposure for remedial costs and activities. The corporation has budgeted for the expenses its consultants anticipate.

On March 23, 1988, the R.I. Department of Environmental Management issued an order to the R.I. Solid Waste Management Corporation which was subsequently modified on May 26 and September 15, 1988 respectively. The order requires various environmental measures related to operation of the corporation's landfill. The cost of complying with the provisions of the order are expected to be substantial but cannot be determined with accuracy at this time.

On October 3, 1988, the R.I. Department of Environmental Management issued an administrative order to the R.I. Solid Waste Management Corporation concerning the proposed resource recovery facility at North Kingstown, Rhode Island. In June 1989 the Corporation filed an appeal in Rhode Island Superior Court of the DEM order. The Corporation's appeal seeks to void certain conditions placed on the air emissions of the proposed facility. The Town of North Kingstown has filed an administrative appeal of the entire order to the Rhode Island Superior Court.

The R.I. Solid Waste Management Corporation is contingently liable to two banks with respect to their irrevocable letters of credit issued to guarantee the corporation's 1984 $160,000,000 Weekly Adjustable/Fixed Rate Solid Waste Disposal Revenue Bonds (see Note 4).

Moral Obligation Bonds

Some state authorities are empowered by law to issue bonds, which although not guaranteed by the state. are "moral obligations" of the state. At June 30, 1989, the R.I. Housing and Mortgage Finance Corporation had $318,392,837 in "moral obligation" bonds outstanding at rates of 5.0% to 12.875%, payable annually to 2020.

Federal Grants

The state receives significant amounts of federal assistance under grant agreements which specify the purpose of the grant and conditions under which the funds may be used. Generally, these grants are subject to audit. Any disallowances as a result of these audits become a liability of the state. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Note 9. Pension Plans

Employees' Retirement System

A. Plan Description

The state contributes to the Employees' Retirement System of the State of Rhode Island (the system), a multiple-employer, cost-sharing, public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to state employees who meet eligibility requirements as well as teachers and certain other employees employed by local school districts in Rhode Island. The financial statements of the system are included within the trust and agency fund type in the accompanying combined financial statements.

The state's payroll for its employees that were covered by the system for the year ended June 30, 1989 was $361,279,801 and the total current year payroll for all state employees was $533,169,260. The payroll for teachers and other local school employees covered by the system for the year ended June 30, 1989 was $368,579,665.

The system covers most state employees. Legislators and elected officials may become members on an optional basis.

The system provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2% for the 35th year. The maximum benefit is 80% of final average earnings after 35 years of service. Such benefits are available to members at least age 60 with 10 years of service, or after 30 years at any age. A different benefit formula applies to state correctional officers who may retire at age 50 if they have 20 years of service. Benefits are based on the average of the highest three consecutive years' earnings.

After the third anniversary of retirement, "cost-of-living increases" amounting to 3% per year are provided, independent of actual changes in the consumer price index. The cost-of-living increases are computed at the rate of 3% compounded annually. The system also provides non-service-connected disability benefits after five years of service; service connected disability pensions with no minimum service requirement; vested benefits after ten years of service; widow's benefits for service connected death; and certain lump sum death benefits.

Sections 16-16-22 and 36-10-1 of the Rhode Island General Laws require that members contribute a fixed percentage of their earnings to the system. For the year ended June 30, 1989 this percentage was 7½% for state employees, 8½% for teachers and other covered school employees and 30% for legislators. The contributions required by the state and various local school districts that participate in the system are set forth in Sections 16-16-22 and 36-10-2 of the Rhode Island General Laws. For the year ended June 30, 1989 the state contributed 13.6% of covered payroll for state employees and 10.15% for teachers and other covered school employees. Local school districts contributed 10.15% of covered payroll for their covered employees.

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits, and is independent of the funding method used to determine contributions to the system.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1988, the date of the most recent actuarial valuation. Significant actuarial assumptions used in that valuation included (a) an annual rate of return on system investments of 7½% (b) projected annual salary increases of 4.17% to 5.85% depending on participant age (including an allowance of 4% per year for inflation) (c) mortality rates based on the 1971 group annuity mortality table (d) post retirement increases in benefits of 3% compounded annually and (e) a retirement age of 63 for state employees and 61½ for teachers or completion of service requirement, if later.

The total unfunded pension benefit obligation, expressed in thousands, at June 30, 1988 is summarized below:

	State Employees	Teachers	Total
Pension benefit obligation:			
Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits	$ 546,114	$ 516,572	$1,062,686
Current employees			
Accumulated employee contributions	143,124	217,910	361,034
Employer-financed vested	212,476	336,222	548,698
Employer-financed nonvested	204,075	392,673	596,748
Total pension benefit obligation	1,105,789	1,463,377	2,569,166
Net assets at June 30, 1988 available for benefits at carrying value (market value is $1,610,860)	644,575	747,702	1,392,277
Unfunded pension benefit obligation	$ 461,214	$ 715,675	$1,176,889

C. Actuarially Determined Contribution Requirements and Contributions Made

The system's funding policy, as set forth in Section 36-10-2 of the General Laws, provides for actuarially determined periodic contributions. Employer contributions to the system include (1) normal cost (2) a payment required to amortize the unfunded frozen actuarial liability over thirty years and (3) interest on the unfunded frozen actuarial liability. The normal cost is determined using the entry age normal cost method with frozen initial liability. Until June 30, 1989, the system used the sum-of-the-digits amortization method to calculate the payment required to amortize the unfunded frozen actuarial liability over 30 years. The significant actuarial assumptions used to compute the actuarially determined contributions requirement are the same as those used to compute the pension benefit obligation as described in B. above.

G. L. Section 36-10-2 relating to the determination of the State's contribution to the system was amended effective July 1, 1989. Under this amendment, the method of amortizing the remaining unfunded liability was revised. The new method calls for amortizing the remaining unfunded liability of the system as of June 30, 1988 over 27 years beginning in fiscal year 1990 calculated such that each year's total unfunded liability payment increases at the assumed rate of inflation over the prior year's total payment. This amendment is expected to decrease the State's contribution to the system by approximately $19,300,000 in fiscal 1990.

The state and local school districts' contributions to the system for the year ended June 30, 1989 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1987. The state contribution for its employees, $48,974,973, consisted of (a) $16,041,073 for normal cost (4.44% of current covered payroll) (b) $2,706,100 for amortization of the unfunded frozen actuarial liability (.75% of current covered payroll) and (c) $30,227,800 of interest on the unfunded frozen actuarial liability (8.37% of current covered payroll). The state and municipal contributions for teachers and other covered school employees, $73,023,790, consisted of (a) $16,099,990 for normal cost (4.0% of covered payroll) (b) $4,740,300 for amortization of the unfunded frozen actuarial liability (1.29% of covered payroll) and (c) $52,183,500 of interest on the unfunded frozen actuarial liability (14.16% of current covered payroll).

D. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For the four years ended June 30, 1986, 1987, 1988 and 1989, state contributions to the system, all made in accordance with actuarially determined requirements, were 14.5%, 12.5%, 12.5% and 13.6% respectively of annual covered payroll for state employees and 9.9%, 9.45%, 9.3% and 10.15% respectively of annual covered payroll for teachers.

Trend information concerning the pension benefit obligation for 1987 and 1988 is presented below (dollar amounts in thousands):

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded Pension Benefit Obligation (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)/(5)
1987	$1,196,304	$2,327,225	51.4%	$1,130,921	$624,927	181.0%
1988	1,392,277	2,569,166	54.2%	1,176,889	738,696	159.3%

The pension benefit obligation was not computed for years prior to 1987.

Municipal Employees' Retirement System

A. Plan Description

The state, through the Retirement Board, also administers the Municipal Employees' Retirement System ("the municipal system"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for pension benefits to be provided to employees of municipalities, housing authorities, and water and sewer districts that have elected to participate. The financial statements of this system are included within the trust and agency fund type in the accompanying combined financial statements.

The municipal system generally provides retirement benefits equal to 2% of final average salary per year of service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years at any age. Police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. Benefits are based on the average of the highest three consecutive years' earnings.

The municipal system also provides non service connected disability benefits after 5 years of service; service connected disability pensions with no minimum service requirement; vested benefits after 10 years of service; widow's benefits; and certain lump sum death benefits.

Section 45-21-41 of the Rhode Island General Laws requires that members contribute a fixed percentage of their earnings to the municipal system. For the year ended June 30, 1989 this percentage was 6% for general employees and 7% for police and fire personnel. For groups that elect the optional cost of living provision, the employee contribution rate is increased by 1%. Section 45-21-42 of the General Laws contains the contribution requirements for participating employers. These rates are actuarially determined and vary by participating employer. The state does not make contributions to the municipal system.

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits and is more fully discussed above under funding status and progress for the Employees' Retirement System. The pension benefit obligation was computed as part of the actuarial valuation performed as of June 30, 1988 and was the most recent available at the date of this report. Significant actuarial assumptions used in that valuation included (a) annual rate of return on the investment of assets of 7½% (b) projected annual salary increases of 4.17% to 5.85% depending on participant age (including an allowance of 4% per year for inflation) (c) mortality rates based on the 1971 group annuity mortality table and (d) a retirement age of 65 for general employees and 60 for police and fire personnel, or completion of service requirement, if later.The total unfunded pension benefit obligation, expressed in thousands, at June 30, 1988, the date of the most recent actuarial valuation, is summarized below:

	General Employees	Police and Fire	Total
Pension benefit obligation:			
Retirees and beneficiaries receiving benefits and terminated employees not yet receiving benefits	$ 75,419	$7,246	$82,665
Current employees			
Accumulated employee contributions	27,060	3,935	30,995
Employer-financed vested	40,154	5,196	45,350
Employer financed nonvested	31,183	6,040	37,223
Total pension benefit obligation	173,816	22,417	196,233
Net assets at June 30, 1988 available for benefits at carrying value (market value is $231,006)	170,453	23,244	193,697
Unfunded pension benefit obligation	$ 3,363	$ (827)	$ 2,536

C. Actuarially Determined Contribution Requirements and Contributions Made

The municipal system's funding policy, as set forth in Section 45-21-42 of the General Laws, provides for actuarially determined periodic contributions. Employer contributions to the municipal system include (a) normal cost and (b) a payment, where applicable, to amortize the unfunded actuarial liability over a period of 25 years from the date the municipality joined the system. The normal cost is determined using the entry age normal cost method. The significant actuarial assumptions used to compute the actuarially determined contributions are the same as those used to compute the pension benefit obligation as described in B. above.

The total contributions to the municipal system for fiscal 1989 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 1987. The portions of employer contributions that represent normal cost and amortization of the unfunded actuarial liability are determined by the actuary and vary for each employer.

D. Trend Information

Trend information concerning the pension benefit obligation for 1987 and 1988 is presented below (dollar amounts in thousands):

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Unfunded Pension Benefit Obligation (2) (1)
1987	$170,009	$172,672	98.5%	$ 2,663
1988	193,697	196,233	98.7%	2,536

The pension benefit obligation was not computed for years prior to 1987.

Other

Certain employees of the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island (principally faculty and administrative personnel) are covered by individual annuity contracts with the Teachers' Insurance and Annuity Association. Total expenditures by the institutions for such annuity contracts amounted to $6,455,515 during the year ended June 30, 1989.

The R.I. Public Transit Authority has two pension plans that cover employees meeting certain eligibility requirements. At June 30, 1989 the aggregate contributions to the plans exceeded those which were recommended by the actuary.

The R.I. Port Authority and Economic Development Corporation has a pension plan that covers employees who meet certain eligibility requirements. At July 1, 1988, the most recent valuation date, the total pension benefit obligation was $2,640,348 and net assets available for benefits were $3,137,299. No contributions were made to the plan during the year ended June 30, 1988.

Certain other component units have defined contribution pension and savings plans.

For additional information regarding these other pension and savings plans, please refer to the component units' separately issued financial reports.

Note 10. Postemployment Benefits

In addition to the pension benefits described in note 9, the state provides postretirement benefits to certain employees in accordance with several state programs designed to encourage early retirement. These benefits are available to employees who met the age and years of service criteria specified in the program guidelines and who elected to retire during periods specified. The benefits include monthly supplemental cash payments in addition to regular pension benefits and medical and hospitalization costs for pre-Medicare retirees and a medicare supplement for Medicare-eligible retirees. Expenditures for such post retirement benefits are recognized when paid.

During fiscal 1989, expenditures of $1,599,214 were recognized for post retirement benefits (an average of $893 for each of the 1,791 retirees covered by the plans).

On July 6, 1989 Sections 36-10-1, 36-12-1, and 36-12-4 of the General Laws were amended to provide retiree health insurance coverage to members of the Employee Retirement System who retire on or after July 1, 1989. The law requires each active state employee to contribute .125% of earnings to a restricted fund within the State Employees Retirement System which shall be used solely for providing benefits to retirees. The requirement for employee contributions shall remain in effect for a minimum of 4 years at which time the adequacy of the fund will be actuarially reevaluated to determine the contribution required to maintain the benefit. If at any time during the initial four year period the cost for health coverage exceeds the contributions in the restricted fund the state shall make advances to the restricted fund for the above purpose. Such advances shall be repaid from any subsequent funds in such account.

Under the program described above, the retiree is required to pay a portion of the monthly premium. This payment varies with years of service and ranges from 50% for retirees with 10 to 15 years of service to 0% for retirees with 35 years of service.

The benefits in general cover medical and hospitalization costs for pre-Medicare retirees and a Medicare supplement for Medicare-eligible retirees.

Note 11. Deferred Compensation

The state offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan is administered by the Department of Administration pursuant to General Law 36-13. The Department of Administration contracts with private corporations to provide investment products related to the management of the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the state (without being restricted to the provisions of benefits under the plan) subject only to the claims of the state's general creditors. Participants' rights under the plan are equal to those of general creditors of the state in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Department of Administration's legal counsel that the state has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The state believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Deferred compensation plan balances, valued at market, have been reported in an agency fund at June 30, 1989.

Note 12. Segment Information

Enterprise Funds

The state maintains six enterprise funds which are intended to be self supporting through user fees and sales of services to the public.

Blackstone Valley District Commission. (BVDC) This Commission was established for the purpose of combating water pollution in the Blackstone Valley through the financing and construction of sewers and treatment facilities. Bonds issued for the Commission by the state, while general obligations of the state, are supported by user fees levied by the Commission for services provided to municipalities and other users of its facilities.

R.I. Industrial Recreational Building Authority. (RIIRBA) This Authority is authorized to insure eligible mortgages for new construction, acquisition, rehabilitation or expansion of facilities used for manufacturing, processing, recreation, research, warehousing, retail, wholesale or office operations. The full faith and credit of the state is pledged to the payments of the Authority's obligations.

Water Development Fund. (WDF) This Fund was created by law to account for the proceeds of leasing state reservoir sites and the sale of surplus property on these reservoir sites (gravel, timber, etc.). The fund's equity consists of a restricted fund balance of $1,000,000 available to the R.I. Water Resources Board to coordinate and insure the proper development, conservation and use of water resources throughout the state. The unrestricted fund balance is available for the same purposes, as well as, the development and maintenance of water supply facilities (wells, transmission and distribution systems, etc.) exclusive of the acquisition of reservoir sites.

State Lottery Fund. (Lottery) This Fund is used to account for the revenues generated by the State Lottery Commission in conducting various lottery games. According to statute, earnings after allocation for prize awards and payments of expenses shall be paid to the state's general fund.

R.I. Higher Education Assistance Authority. (RIHEAA) This Authority was created for the dual purpose of guaranteeing loans to students in eligible institutions and administering other programs of postsecondary student financial assistance assigned by law to the Authority.

Narragansett Bay Water Quality Management District Commission. (NBC) This Commission was created for the purposes of acquiring, planning, constructing, extending, improving, operating and maintaining publicly owned wastewater treatment facilities. The commission receives contributed capital from the state and federal government to upgrade its facilities.

Segment financial information, expressed in thousands, for the Enterprise Funds is presented below:

	RVDC	RIIRBA	WDF	Lottery	RIHEAA	NBC	Total
Revenues:							
Sales, assessments, fees	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Intergovernmental revenues					[illegible]		[illegible]
Contributions							[illegible]
Other	949	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Expenses (excluding depreciation depletion, and amortization)	5,735	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Depreciation, depletion and amortization	384			[illegible]	[illegible]	[illegible]	[illegible]
Excess of revenues over expenses	729	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other changes in fund equity	[illegible]			(25,801)	[illegible]	[illegible]	[illegible]
Total assets	50,280	3,909	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Long-term debt	17,610				-	[illegible]	[illegible]
Total equity	[illegible]	3,896	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Public Authorities and Corporations

Public authorities and corporations are legally separate entities that are not operating departments of the state. They are managed independently, outside the appropriated budget process and their powers generally are vested in a governing board. Public authorities and corporations are principally supported by revenues derived from their activities. However, the State has provided some financial assistance in the form of loans or operating subsidies, to certain authorities and corporations.

Rhode Island Port Authority and Economic Development Corporation. (RIPAEDC): This Authority was created by law in 1974 for the purpose of acquiring and developing real and personal property to promote the economic development of the State. It has the power to issue tax exempt industrial development bonds to accomplish its corporate purpose.

Rhode Island Water Resources Board Corporate. (RIWRBC): The purpose of this Board is to establish water supply facilities and lease the same to cities, towns, districts, and other municipal, quasi-municipal or private corporations or companies engaged in the water supply business in the state, or contract for the use or sale of the same, by such parties, the water derived from, carried by or processed in such facilities. The Board is authorized to issue revenue bonds which are payable solely from revenues generated by the lease of its facilities or sale of water.

Rhode Island Solid Waste Management Corporation. (RISWMC): This Corporation was established in 1974 for the purpose of assisting the municipalities in solving their waste disposal problems and in developing a more suitable alternative approach to the overall solid waste disposal problem through implementation of a resource recovery program. The Corporation is authorized to issue bonds secured solely by its revenues.

Rhode Island Housing and Mortgage Finance Corporation. (RIHMFC): This Corporation, established in 1973, was created in order to expand the supply of housing available to persons of low and moderate income and to stimulate the construction and rehabilitation of housing and health care facilities in the state. It has the power to issue notes and bonds to achieve its corporate purpose.

Rhode Island Refunding Bond Authority. (RIRBA): This Authority was created for the purpose of providing a means to advance refund two series of general obligation bonds of the state. The Authority issued bonds that are secured solely by its revenues, derived from payments pursuant to a loan and trust agreement with the state, subject to annual appropriation.

Rhode Island Public Transit Authority. (RIPTA): This Authority was established in 1964 to acquire any mass motor bus transportation system if that system has previously filed a petition to discontinue its service and further, if the Authority determines it is in the public interest to continue such service. Revenues of the Authority include operating assistance grants from the federal and state governments.

Rhode Island Turnpike and Bridge Authority. (RITBA): This Authority was created by the General Assembly as a body corporate and politic, with powers to construct, acquire, maintain and operate bridge projects as defined by law.

Rhode Island Public Buildings Authority. (RIPBA): This Authority's purpose in general is to finance the acquisition, construction and improvement of public facilities and equipment through the issuance of revenue bonds financed solely from revenues derived under lease agreements with various governmental entities, receipts on the disposition of the assets being financed and earnings from funds held on deposit. The Authority's administrative expenses are reimbursed on an annual basis by the state.

Rhode Island Student Loan Authority. (RISLA): This Authority, established in 1981, was created in order to provide a statewide student loan program through the acquisition of student loans. It has the power to issue bonds and notes payable solely from its revenues or assets.

Rhode Island Industrial Facilities Corporation. (RIIFC): This Corporation was organized in 1966 as a non business corporation under state law, and in 1967 was constituted and established as a public body corporate and agency of the state by an act of the General Assembly. The Corporation was granted the power to issue revenue bonds, construction loan notes and equipment acquisition notes for the financing of projects which further industrial development in the state. The bonds and notes issued by the Corporation are not general obligations of the Corporation and are payable solely from the revenues derived from the related projects.

Howard Development Corporation. (HDC): This Corporation was created for the purpose of acquiring, improving, financing, conveying and leasing land and interests therein. The state deeded, without cost, the title and interest in approximately 285 developable acres of land for the purpose of creating the Howard Industrial Park. Thirty eight firms have constructed facilities at the site.

Convention Center Authority. (CCA): This Authority was created in 1987 for the purpose of constructing, managing and operating a convention center. By an agreement between the state and the City of Providence, the Authority became a joint development entity empowered to undertake the development of a convention center, parking garage and hotel complex to be located in the City of Providence.

Rhode Island Public Telecommunications Authority. (RIPTCA): This Authority is a public corporation empowered by the state to hold and operate property in trust for the state. The Authority owns and operates a non-commercial educational television station in the City of Providence.

Segment financial information, expressed in thousands, for the Public Authorities and Corporations is presented below:

	RIPAEDC	RIWRBC	RISWMC	RIHMFC	RIRBA	RIPTA	RITBA
Revenues:							
Sales, assessments, fees	$ 7,117	$	$ 31,708	$ 2,051	$	$ 6,862	$ 8,930
Interest	1,387	12	16,608	140,735	1,168	144	1,479
Intergovernmental revenues	903					16,096	
Other	150	86		58	89	246	88
Expenses (excluding depreciation, depletion and amortization)	7,909	9	30,396	120,417	1,171	25,875	9,100
Depreciation, depletion and amortization	543		2,069	4,037	86	3,461	
Excess of revenues over (under) expenses	1,105	89	15,851	18,390		(5,988)	1,397
Other changes in fund equity	(769)	668				1,256	105
Total assets	41,980	7,498	245,863	1,810,266	17,297	29,038	80,487
Long-term debt		4,700	181,380	1,525,482	17,120	550	47,185
Total equity	40,497	1,761	53,115	183,558	1	19,960	10,945

	RIPBA	RISLA	RIIFC	HDC	CCA	RIPTCA	Total
Revenues:							
Sales, assessments, fees	$ 19,467	$	$ 377	$	$	$ 759	$ 77,271
Interest	6,326	19,317	63	335			187,574
Intergovernmental revenues						2,146	19,145
Other	147			21		297	1,182
Expenses (excluding depreciation, depletion and amortization)	12,290	18,330	115	57		2,841	228,510
Depreciation, depletion and amortization	242	188					10,626
Excess of revenue over (under) expenses	13,408	799	325	299		361	46,036
Other changes in fund equity	(12,656)		(150)				(11,546)
Total assets	245,554	231,860	933	6,552	35,058	3,669	2,756,055
Long term debt	174,167	222,886			34,430		2,207,900
Total equity	65,376	7,491	920	5,713		3,260	392,597

Note 13. Deficit Balances

The following funds have deficit balances, in fund equity, expressed in thousands, as of June 30, 1989:

	Special Revenue	Capital Projects	Internal Service	Trust and Agency
R.I. Temporary Disability Insurance Administration Fund	$ 151	$	$	$
R.I. Clean Water Act/ Environmental Trust Fund		914		
Central Utilities Fund			4	
Central Services Fund			71	
Special Facilities Fund Food Processing			14	
Violent Crimes Indemnity Fund				60

The deficits of the R.I. Temporary Disability Insurance Reserve Administration Fund and the Violent Crimes Indemnity Fund will be funded in the ensuing fiscal year as revenue becomes available.

The deficit of the R.I. Clean Water Act/Environmental Trust Fund will be funded through the issuance of general obligation bonds.

The deficits of the Internal Service Funds will be funded by appropriations from the General Fund in the next fiscal year.

Note 14. Related Party Transactions

Funds held by the University of Rhode Island Foundation for the future use of the university and its faculty and students are not reflected in the accompanying financial statements. Funds held at March 31, 1989 amounted to $14,651,958. Distributions of $3,379,510 during the year ended June 30, 1989 are included in private gift revenue of the university.

The University of Rhode Island Foundation has agreed to finance the construction of the university's applied engineering laboratory building to the extent of $653,087 from pledges from various donors. As of June 30, 1989, construction has been completed and the foundation has transferred $608,906 to the university. The balance of $44,181 has been recorded as a receivable in the capital projects fund and will be transferred to the university over a two year period as pledges are received by the foundation.

Prior to fiscal year 1989, the R.I. Port Authority and Economic Development Corporation contributed $2,390,000 to the Rhode Island Partnership for Science and Technology (RIPSAT). Subsequent to June 30, 1989, the Authority's Board of Directors approved a $1,000,000 donation to RIPSAT.

Note 15. Subsequent Events

In November 1989, the State of Rhode Island issued $70,000,000 of General Obligation Tax Anticipation Notes due and payable June 20, 1990.

In December 1989, the State of Rhode Island issued $66,000,000 of General Obligation Bond Anticipation Notes due and payable August 1, 1990.

Also in December 1989, the state issued $33,000,000 of Correctional Facilities Certificates of Participation, Series 1989 with interest rates of 5.9% to 7.0% and maturing at various dates through 2010. The proceeds are to be used for the acquisition, design, construction and equipping of an approximately 400 cell addition to an existing prison facility.

In August 1989, the state issued $8,740,000 of lease participation certificates due October 1, 1990 to 1996.

In January 1990, the state issued $5,040,000 of lease participation certificates due December 15, 1990 to 1996.

In September 1989, the R.I. Housing and Mortgage Finance Corporation issued $4,010,000 of Housing Bonds, 1989 Series A (federally taxable) and $19,500,000 of Housing Bonds, 1989 Series B (rental housing program).

The R.I. Water Resource Board Corporate issued $11,685,000 in Water Supply Facilities Revenue Bonds dated July 1, 1989, due September 15, 1991 to 2010. The bonds were issued in part to repay $4,700,000 of bond anticipation notes and in part to finance water facilities projects.

The R.I. Public Buildings Authority issued $58,975,000 of State Public Projects Revenue Bonds, 1989 Series A, dated December 1, 1989, due on various dates through 2010, with interest rates of 5.75% to 7.00%.

In December 1989, the R.I. Solid Waste Management Corporation issued $25,000,000 of Resource Recovery System Bond Anticipation Notes due December 14, 1990.

The Convention Center Authority issued $30,545,000 of Bond Anticipation Notes, 1989 Series A, dated December 1, 1989, due November 30, 1990.

In November 1989, the voters of the state approved additional bond authorizations of $99,500,000 for assorted capital improvement projects.

COMBINING AND INDIVIDUAL FUND
AND
ACCOUNT GROUP STATEMENTS
AND
SCHEDULES

FINANCIAL SECTION

Exhibit/ Schedule

GENERAL FUND:

Balance Sheets A-1

Statement of Revenues, Expenditures, and Changes in Available Fund Balance A-2

Statement of Revenues - Estimated and Actual A-3

Summary Statement of Available Appropriations, Expenditures, and Balances A-4

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Comparative Statement of Taxes Receivable and Departmental Accounts Receivable A-8

Statement of Expenditures by Source of Funds A-9

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-1

GENERAL FUND
BALANCE SHEETS

June 30, 1989 and 1988

Assets	1989	1988
Cash	$ 6,401,397	$ 22,905,732
Imprest cash	321,795	290,245
Investments, at cost	77,775,973	147,144,222
Receivables (net of allowance for uncollectible and unavailable):		
Taxes (net of allowance of $4,964,379, 1989; $5,182,661, 1988)	60,333,454	58,469,747
Accounts (net of allowance of $3,514,735, 1989; $1,044,894, 1988)	13,036,330	14,428,336
Due from other funds	3,725,066	2,288,241
Due from federal government and others	42,443,105	42,435,731
Advances to internal service funds	5,307,500	4,732,500
Advances to other funds	17,850,000	8,710,000
Total assets	$ 227,194,620	$ 301,404,754
Liabilities and Fund Equity		
Liabilities:		
Vouchers and accounts payable	$ 83,465,010	$ 80,657,951
Accrued payroll and employee benefits	14,823,662	11,721,191
Due to other governments	11,419,248	11,002,752
Other liabilities	4,883,976	4,642,691
Total liabilities	114,591,896	108,024,585
Fund equity:		
Appropriations carried forward:		
General and special appropriations	18,930,439	10,160,834
Departmental restricted revenue	19,663,524	14,633,606
Federal grants	8,281,236	12,199,047
Total appropriations carried forward	46,875,199	36,993,487
Reserves:		
Federal reduction relief account		2,002,697
State budget reserve and cash stabilization account	37,374,746	27,981,101
Public facilities asset protection account	9,145,610	6,713,786
Internal service funds	5,307,500	4,732,500
Departmental imprest cash	321,795	290,245
Total reserves	52,149,651	41,720,329
Available fund balance (Exhibit A-2)	13,577,874	114,666,353
Total fund equity	112,602,724	193,380,169
Total liabilities and fund equity	$ 227,194,620	$ 301,404,754

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-2

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN AVAILABLE FUND BALANCE

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Taxes	$ 1,134,769,869	$ 1,103,199,121
Licenses and fees	17,425,371	15,979,205
Fines and penalties	11,440,412	12,293,697
Sales and services	115,922,626	101,551,932
Income from investments	5,261,112	7,180,159
Miscellaneous revenue	8,372,296	7,654,957
Departmental restricted revenue	59,444,527	48,238,279
Federal grants	430,544,819	385,265,646
Total revenues	1,783,181,032	1,681,362,996
Expenditures:		
Individual and family development	1,496,693,057	1,330,321,810
Economic development	75,793,176	64,783,018
Public safety	52,088,763	47,060,529
Transportation	82,974,230	83,438,104
Comprehensive support	185,621,018	164,911,040
Total expenditures	1,893,170,244	1,690,514,501
Excess (deficiency) of revenues over expenditures	(109,989,212)	(9,151,505)
Other financing sources (uses):		
Increase in reappropriations	(9,977,036)	(3,297,029)
Transfers from public facilities asset protection account	4,613,561	2,275,946
Transfers from state lottery fund	23,484,113	24,119,103
Transfers from federal reduction relief account	2,002,697	6,000,000
Adjustment - prior year transactions	2,129,450	1,147,352
Prior year expenditure refunds	2,858,142	1,279,951
Prior year adjustment of expenditures - federal grants and restricted funds	635,235	1,315,723
Repayment of loan to Rhode Island Solid Waste Management Corporation	200,000	200,000
Repayment of loan to Rhode Island Recreational Building Authority		40,000
Transfers to state budget reserve and cash stabilization account	(9,393,645)	(9,647,641)
Transfers to public facilities asset protection account	(7,045,234)	(4,823,821)
Net advances to other funds	(606,550)	(552,170)
Total other financing sources (uses)	8,900,733	18,057,414
Increase (decrease) in available fund balance	(101,088,479)	8,905,909
Available fund balance - July 1	114,666,353	105,760,444
Available fund balance - June 30 (Exhibit A-1)	$ 13,577,874	$ 114,666,353

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-3-1

GENERAL FUND
STATEMENT OF REVENUES - ESTIMATED AND ACTUAL

For the Fiscal Year Ended June 30, 1989

TAXES	Estimated Revenue	Amended Estimated Revenue	Actual Revenue	Actual Over (under) Amended Estimated Revenue
Personal income tax	$ 428,300,000	$ 423,877,587	$ 422,254,910	$ (1,622,677)
General business taxes:				
Business corporation tax	55,600,000	61,665,343	57,258,711	(4,406,632)
Franchise tax	1,200,000	1,740,159	1,813,343	73,184
Gross earnings tax - public utilities	52,300,000	52,800,000	49,916,975	(2,883,025)
Income tax - financial institutions	9,900,000	12,000,000	20,142,048	8,142,048
Tax on insurance companies	31,800,000	33,800,000	32,821,300	(978,700)
Tax on deposits - banking institutions	7,800,000	8,600,000	8,589,587	(10,413)
Gross earnings tax - petroleum companies		(373,492)	(6,506)	366,986
Sales and use taxes:				
Sales and use tax	414,500,000	407,298,054	390,951,192	(16,346,862)
Motor vehicle tax	27,900,000	25,000,000	23,748,457	(1,251,543)
Gasoline tax	43,900,000	43,531,255	41,832,216	(1,699,039)
Cigarette tax	32,800,000	31,156,970	31,732,079	575,109
Tax on mfg. of beers, liquors, etc.		20,793	13,479	(7,314)
Alcoholic beverage import fees	7,600,000	7,600,000	7,311,472	(288,528)
Fuel use tax on motor carriers		568,233	418,911	(149,322)
Motor fuel excise tax	9,000,000	8,991,509	9,289,740	298,231
Other taxes:				
Inheritance tax	17,200,000	18,290,951	19,388,317	1,097,366
Gift tax		62,927	53,263	(9,664)
Racing and athletics tax			482,670	482,670
Non-resident contractor tax	100,000	121,373	223,249	101,876
Realty transfer tax	5,100,000	6,300,000	5,892,620	(407,380)
Dog racing - pari-mutuel betting	8,600,000	9,500,000	9,372,678	(127,322)
Tax on breakage	200,000	200,000	198,735	(1,265)
Jai alai - pari-mutuel betting	1,400,000	1,000,000	874,905	(125,095)
Tax on breakage		15,000	12,701	(2,299)
Admissions tax - racing	100,000	150,000	182,817	32,817
Total taxes	1,155,300,000	1,153,916,662	1,134,769,869	(19,146,793)
DEPARTMENTAL REVENUE AVAILABLE FOR GENERAL PURPOSES				
Licenses and fees	16,700,000	17,154,815	17,425,371	270,556
Fines and penalties	12,900,000	12,008,900	11,440,412	(568,488)
Sales and services	104,300,000	119,231,696	115,922,626	(3,309,070)
Income from investments	5,000,000	5,890,983	5,261,112	(629,871)
Miscellaneous	5,500,000	7,632,400	8,372,296	739,896
Total departmental revenue available for general purposes	144,400,000	161,918,794	158,421,817	(3,496,977)
Total general revenue	1,299,700,000	1,315,835,456	1,293,191,686	(22,643,770)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-3-2

GENERAL FUND
STATEMENT OF REVENUES - ESTIMATED AND ACTUAL

For the Fiscal Year Ended June 30, 1989

DEPARTMENTAL RESTRICTED REVENUE AVAILABLE FOR SPECIFIC PURPOSES	Estimated Revenue	Amended Estimated Revenue	Actual Revenue	Actual Over (under) Amended Estimated Revenue
Mental Health, Retardation, and Hospitals		299,892	305,772	5,880
Health	1,646,067	2,198,755	1,746,880	(451,875)
Human Services	66,230	66,230	222,452	156,222
Corrections	501,508	501,508	799,935	298,427
Elementary and Secondary Education	9,333,306	9,870,769	10,060,779	190,010
State Library Services		31,169	33,709	2,540
Labor	882,486	882,486	994,556	112,070
Environmental Management	5,049,256	8,788,810	7,052,991	(1,735,819)
Business Regulation	2,221,518	2,406,897	2,699,631	292,734
Transportation	14,113,130	18,634,200	19,248,884	614,684
Executive	596,218	1,354,903	1,634,109	279,206
State		2,000	2,311	311
Attorney General	540,000	282,612	419,126	136,514
Treasury	1,702,038	1,702,038	1,409,267	(292,771)
Administration	473,957	572,732	1,871,734	1,299,002
Legislative	343,887	343,887	544,828	200,941
Judicial	45,000	410,764	830,358	419,594
Other Commissions and Agencies	1,487,572	1,700,626	1,844,570	143,944
General	3,700,000	3,850,000	5,857,284	2,007,284
Economic Development	475,000	2,055,000	1,702,281	(352,719)
Elderly Affairs	39,190	39,190	27,655	(11,535)
Children and Their Families			135,415	135,415
Total departmental restricted revenue available for specific purposes	43,216,363	55,994,468	59,444,527	3,450,059
FEDERAL GRANTS				
Mental Health, Retardation, and Hospitals	4,981,711	7,069,913	5,969,872	(1,100,041)
Health	12,606,976	16,737,438	14,230,628	(2,506,810)
Human Services	283,233,482	325,810,312	305,046,539	(20,763,773)
Corrections		201,192	122,018	(79,174)
Elementary and Secondary Education	42,105,080	52,976,433	42,881,942	(10,094,491)
State Library Services	578,769	1,522,460	561,249	(961,211)
Labor	58,226	58,226	34,813	(23,413)
Environmental Management	5,813,332	11,438,433	7,920,972	(3,517,461)
Transportation	1,578,318	18,304,738	7,698,119	(10,606,619)
Executive	31,155,838	46,965,527	25,360,726	(21,604,801)
State		87,522	114,022	26,500
Attorney General	470,508	870,508	720,422	(150,086)
Administration	218,400	260,105	196,854	(63,251)
Judicial		548,151	447,970	(100,181)
Other Commissions and Agencies	226,248	630,387	308,787	(321,600)
Economic Development	4,876,001	7,985,539	5,806,419	(2,179,120)
Elderly Affairs	5,104,564	7,462,272	5,144,666	(2,317,606)
Children and Their Families	3,672,715	8,869,252	7,811,747	(1,057,505)
Office of Higher Education	212,363	377,332	167,054	(210,278)
Total federal grants	396,892,531	508,175,740	430,544,819	(77,630,921)
Total general fund revenue	$1,739,808,894	$1,880,005,664	$1,783,181,032	$ (96,824,632)

Exhibit A-4

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

GENERAL FUND
SUMMARY STATEMENT OF AVAILABLE APPROPRIATIONS, EXPENDITURES, AND BALANCES

For the Fiscal Year Ended June 30, 1989

Department or Activity	(1) Net Balances Brought Forward	Appropriations and Transfers	Appropriation of Restricted Revenues and Federal Grants	Total Available	Expenditures	Balance	Due from Federal Government and Others	Available Appropriations	Lapsed to Surplus	Appropriations Carried Forward
Mental Health, Retardation and Hospitals	$ (876,253)	$ 197,171,292	$ 7,264,578	$ 203,559,617	$ 201,805,855	$ 1,753,762	$ 440,273	$ 2,194,035	$ 243,492	$ 1,950,543
Health	466,157	26,194,662	16,475,827	43,136,646	41,886,267	1,250,379	520,365	1,770,744		1,770,744
Human Services	(25,135,727)	249,125,089	301,034,310	525,023,672	554,386,822	(29,363,150)	32,585,080	3,221,930	209,436	3,012,494
Corrections	302,945	59,052,582	1,132,610	60,488,137	60,379,836	108,301	22,660	130,961		130,961
Elementary and Secondary Education	1,086,747	344,006,850	50,513,305	395,606,902	396,381,570	(774,668)	3,930,571	3,155,903	198,000	2,957,903
State Library Services	76,463	4,971,389	576,150	5,624,002	5,731,227	(107,225)	139,964	32,739		32,739
Labor	527,628	4,197,089	1,029,369	5,754,086	4,960,434	793,652		793,652		793,652
Environmental Management	4,441,876	33,304,395	14,988,085	52,734,356	47,942,320	4,792,036	991,789	5,783,825	400,142	5,383,683
Business Regulation	1,288,153	3,836,065	2,699,631	7,823,849	6,227,461	1,596,388		1,596,388	69,016	1,527,372
Transportation	(3,548,963)	69,648,707	31,639,035	97,738,779	92,931,246	4,807,533	1,513,267	6,320,800	429,731	5,891,069
Executive	8,846,350	38,947,441	28,607,105	76,400,896	63,992,431	12,408,465	1,615,715	14,024,180		14,024,180
State	313,834	3,394,618	116,333	3,824,785	3,639,363	185,422		185,422		185,422
Attorney General	(88,472)	8,547,265	1,203,626	9,662,419	9,368,439	293,980	39,672	333,652	2,401	331,251
Treasury	139,934	2,196,339	1,409,267	3,745,540	3,374,464	371,076		371,076		371,076
Administration	590,783	86,028,260	2,979,508	89,598,551	88,227,511	1,371,040	30,141	1,401,181	150,000	1,251,181
Legislative	1,356,477	11,186,285	676,761	13,219,523	11,244,723	1,974,800		1,974,800		1,974,800
Judicial	687,587	28,596,783	1,249,341	30,533,711	29,771,530	762,181	29,191	791,372		791,372
Other Commissions and Agencies	731,450	14,153,965	2,047,020	16,932,435	16,753,601	178,834	171,782	350,616	25,639	324,977
General	354,754	8,025,921	5,857,284	14,237,959	11,480,233	2,757,726		2,757,726	2,238,870	518,856
Special Legislative Appropriations	121,816	1,030,755		1,152,571	1,030,974	121,597		121,597	100,000	21,597
Economic Development	376,481	7,301,542	7,836,272	15,514,295	13,906,629	1,607,666	21,059	1,628,725		1,628,725
Elderly Affairs	204,417	11,131,593	5,175,141	16,511,151	16,439,853	71,298	140,657	211,955		211,955
Children and Their Families	(96,036)	57,843,285	8,551,671	66,298,920	66,335,013	(36,093)	248,939	212,846		212,846
Office of Higher Education	2,074,040	141,502,702	1,561,238	145,137,980	143,351,256	1,786,724	1,980	1,788,704	231,454	1,557,250
Workers' Compensation	219,991	1,540,252		1,760,243	1,621,186	139,057		139,057	120,506	18,551
Total	$ (5,537,568)	$ 1,412,935,126	$ 494,623,467	$ 1,902,021,025	$ 1,893,170,244	$ 8,850,781	$ 42,443,105	$ 51,293,886	$ 4,418,687	$ 46,875,199

(1) Reconciliation - appropriations brought forward

Appropriations carried forward June 30, 1988	$ 36,993,487
Adjustments - net decrease	(95,325)
Adjusted appropriations carried forward June 30, 1988	36,898,162
Reimbursements due from federal government June 30, 1988	42,192,273
Reimbursements due from others June 30,1988	243,457
Net balances brought forward July 1, 1988	$ (5,537,568)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A 5

GENERAL FUND
STATEMENT OF CHANGES IN RESERVES

For the Fiscal Year Ended June 30, 1989

	Federal Reduction Relief Account	State Budget Reserve and Cash Stabilization Account	Public Facilities Asset Protection Account	Internal Service Funds	Departmental Imprest Cash	Total
Balances, July 1, 1988	$ 2,002,697	$ 27,981,101	$ 6,713,786	$ 4,732,500	$ 290,245	$ 41,720,329
Additions:						
State lottery fund transfers		9,393,645	7,045,234			16,438,879
Other			151	575,000	31,650	606,801
Total additions		9,393,645	7,045,385	575,000	31,650	17,045,680
Total available	2,002,697	37,374,746	13,759,171	5,307,500	321,895	58,766,009
Deductions:						
Transfers out	2,002,697		4,613,561		100	6,616,358
Balances, June 30, 1989	$	$ 37,374,746	$ 9,145,610	$ 5,307,500	$ 321,795	$ 52,149,651

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A-6

GENERAL FUND
SCHEDULE OF APPROPRIATIONS

For the Fiscal Year Ended June 30, 1989

APPROPRIATIONS:

JANUARY SESSION, 1988			
Act H-8437, Sub A, As Amended	Appropriations for the Support of the State 1988-1989	$ 1,392,305,590	
Act H-8233, Sub A, As Amended	Affordable Housing Opportunity	5,000,000	
Act H-8719, Sub A, As Amended	Domestic Violence Prevention	220,000	
Act H-9524, Sub A, As Amended	Referenda Costs - Capital Development Program of 1988	90,000	
Res. S-2141, Sub A	Establish a Regional Government Center in the Town of Warren	50,000	
Act H-9170, Sub A	Rhode Island College and University Saving Bonds Program	48,000	
Res. S-3613	Providence Family Learning Center, Inc.	35,000	
Res. H-9655, H-9768, Sub A, S-2019, Sub A	Claims - Various	32,223	
Act H-8784, As Amended, H-9850, H-9235	Retirement Assistance	15,000	
Res. H-8318, H-8361, H-9808, H-9819, H-8313	Veterans Bonus	2,200	
			$ 1,397,798,013
JANUARY SESSION, 1989			
Act H-5785, Sub A, As Amended	Additional Appropriations for the Support of the State 1988-1989	14,060,565	
Res. H-7734	Compensation - Clerks, Pages, Doorkeepers, and Aides - General Assembly	88,015	
			14,148,580
Title 9-31-5 of the General Laws - Tort Action Claims - Court Awards			988,533
Total			1,412,935,126
Appropriations of restricted revenues and federal grants			494,623,467
Total current year appropriations			1,907,558,593
Appropriations carried forward by Governor		10,143,737	
Appropriations carried forward by statute		(15,681,305)	
Total appropriations carried forward from fiscal year 1988			(5,537,568)
Total available appropriations for the fiscal year ended June 30, 1989			$ 1,902,021,025

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A 7

GENERAL FUND
ANALYSIS OF APPROPRIATION FOR CONTINGENCIES

For the Fiscal Year Ended June 30, 1989

Balance brought forward July 1, 1988		$
Annual Appropriation Bill (Ch. 129, P.L.1988)		1,500,000
Intrafund transfers		53,139
Total available		1,553,139
TRANSFERS		
Department of Corrections		
Rhode Island State Marshals	178,931	
Department of State Library Services		
Division of Planning and Development	10,488	
Department of Labor		
Firemen's Relief Fund	45,832	
Executive Department		
Office of the Governor	161,352	
Governor's Office on Intergovernmental Relations	39,736	
Governor's Office of Energy Assistance	30,314	
Governor's Commission on Handicapped	875	
National Guard and Naval Militia	16,806	
R.I. Emergency Management Agency	28,848	
State Military Property Officer	267,569	
Maintenance of Federal Buildings National Guard	89,256	
Department of Economic Development		
Office of Director	85,000	
Job Development and Training	90,581	
Department for Children and Their Families		
Division of Institutional Services	194,308	
Division of Community Services	45,000	
Total transfers	1,284,896	
EXPENDITURES	268,243	
Total transfers and expenditures		1,553,139
Balance carried forward June 30, 1989		$

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A 8

GENERAL FUND
COMPARATIVE STATEMENT OF TAXES RECEIVABLE AND DEPARTMENTAL ACCOUNTS RECEIVABLE

For the Fiscal Years Ended June 30, 1989 and 1988

Taxes Receivable	1989	1988	Increase (Decrease)	Write Offs
Personal income tax	$ 17,153,359	$ 14,525,770	$ 2,627,589	$ 553,474
Business corporation tax	2,926,949	3,389,906	(462,957)	
Franchise tax	10,332	123,156	(112,824)	99,800
Tax on insurance company	125,087		125,087	
Sales and use tax	38,921,532	39,638,482	(716,950)	485,188
Gasoline tax	2,716,419	1,939,432	776,987	
Cigarette tax	2,082,985	2,316,334	(233,349)	
Tax on manufacturers of beers, liquors, etc.	1,242	565	677	
Inheritance tax	871,458	866,841	4,617	701
Gift tax	5,711	3,275	2,436	
Non resident contractor tax recovery	27,723	21,156	6,567	2,776
Gross earnings tax petroleum companies	31,980	555,761	(523,781)	64
Fuel use tax motor carriers	36,066		36,066	
Motor fuel excise tax	386,990	271,730	115,260	
Total taxes receivable	65,297,833	63,652,408	1,645,425	1,142,003
Less: allowance for uncollectible and unavailable	4,964,379	5,182,661	(218,282)	
Total net taxes receivable	$ 60,333,454	$ 58,469,747	$ 1,863,707	$ 1,142,003

Departmental Accounts Receivable	1989	1988	Increase (Decrease)	Write Offs
Mental Health, Retardation and Hospitals	$ 12,056,357	$ 11,040,652	$ 1,015,705	$ 941,047
Health	18,610	242,234	(223,624)	
Human Services	322,001	159,715	162,286	
Corrections		770	(770)	
Elementary and Secondary Education	109,442	1,761,861	(1,652,419)	
Labor	23,152	5,767	17,385	40
Environmental Management	469,228	482,942	(13,714)	545
Transportation	2,887,959	1,312,555	1,575,404	60,406
Executive	651,782	454,010	197,772	
Administration	358	37	321	
Other Commissions and Agencies	12,176	12,687	(511)	2,420
Total departmental accounts receivable	16,551,065	15,473,230	1,077,835	1,004,458
Less: allowance for uncollectible and unavailable	3,514,735	1,044,894	2,469,841	
Total net departmental accounts receivable	$ 13,036,330	$ 14,428,336	$(1,392,006)	$ 1,004,458

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit A 9

GENERAL FUND
STATEMENT OF EXPENDITURES
BY SOURCE OF FUNDS

For the Fiscal Year Ended June 30, 1989

Department or Activity	General	Federal	Restricted Departmental	Restricted Public Facilities Asset Protection Account	Total
Mental Health, Retardation, and Hospitals	$ 195,033,113	$ 5,969,872	$ 269,983	$ 532,887	$ 201,805,855
Health	25,800,977	14,298,067	1,787,223		41,886,267
Human Services	248,872,644	305,449,291	64,887		554,386,822
Corrections	59,280,420	157,518	718,548	223,350	60,379,836
Elementary and Secondary Education	342,856,079	43,093,164	10,119,438	312,889	396,381,570
State Library Services	4,977,056	595,792	40,938	117,441	5,731,227
Labor	4,200,749	38,013	721,672		4,960,434
Environmental Management	32,417,873	7,948,107	7,557,490	18,850	47,942,320
Business Regulation	3,801,320		2,426,141		6,227,461
Transportation	68,456,247	7,584,895	16,741,357	148,747	92,931,246
Executive	33,993,248	28,554,127	675,796	769,260	63,992,431
State	3,581,851	57,512			3,639,363
Attorney General	8,500,953	690,291	177,195		9,368,439
Treasury	2,127,491		1,246,973		3,374,464
Administration	85,389,623	201,803	1,762,835	873,250	88,227,511
Legislative	10,537,962		574,828	131,933	11,244,723
Judicial	28,859,245	433,518	478,767		29,771,530
Other Commissions and Agencies	14,053,964	322,236	2,377,401		16,753,601
General	5,722,406		5,757,827		11,480,233
Special Legislative Appropriations	1,030,974				1,030,974
Economic Development	7,431,869	5,864,344	610,416		13,906,629
Elderly Affairs	11,265,054	5,144,703	30,096		16,439,853
Children and Their Families	58,176,147	7,896,591	160,400	101,875	66,335,013
Office of Higher Education	141,741,286	217,119	9,772	1,383,079	143,351,256
Workers' Compensation	1,621,186				1,621,186
Total	$ 1,399,729,737	$ 434,516,963	$ 54,309,983	$ 4,613,561	$ 1,893,170,244

FINANCIAL SECTION

Exhibit/ Schedule

SPECIAL REVENUE FUNDS:

Combining Balance Sheets - All Special Revenue Funds B-1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds B-2

Highway Fund

Balance Sheets B-3

Statement of Revenues, Expenditures, and Changes in Fund Balances B-4

Capital Center Project Fund

Balance Sheets B-5

Statement of Revenues, Expenditures, and Changes in Fund Balances B-6

Providence River Relocation - Memorial Boulevard Extension Project Fund

Balance Sheets B-7

Statement of Revenues, Expenditures, and Changes in Fund Balances B-8

Employment Insurance Funds

Combining Balance Sheets B-9

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances B-10

Other Special Revenue Funds

Combining Balance Sheets B-11

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances B-12

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-1

COMBINING BALANCE SHEETS
ALL SPECIAL REVENUE FUNDS

June 30, 1989

	Highway (B-3)	Capital Center Project (B-5)	Providence River Relocation-Memorial Boulevard Extension Project (B-7)	Employment Insurance (B-9)	Other (B-11)	Totals	
						June 30,1989	June 30,1988
Assets							
Cash	$	$ 82,860	$ 339,327	$ 1,046,290	$ 7,752,957	$ 9,221,434	$ 10,086,814
Funds in trust (custody of U.S. Treasury)				287,019,932		287,019,932	241,842,542
Investments				46,150,000	20,575,000	66,725,000	74,738,000
Receivables:							
Taxes				3,052,594		3,052,594	1,943,595
Accounts	192,851			1,421,862	196,690	1,811,403	1,715,009
Due from other funds	849,352	184,891	3,158,395			4,192,638	3,593,189
Due from other governments and agencies	50,710,051	475	803,710	1,318,916		52,833,152	44,516,985
Total assets	$ 51,752,254	$ 268,226	$ 4,301,432	$ 340,009,594	$ 28,524,647	$ 424,856,153	$ 378,436,134
Liabilities and Fund Balances							
Liabilities:							
Cash overdraft	$ 1,026,992	$	$	$ 102,660	$ 951,127	$ 2,080,779	$ 8,692
Vouchers and accounts payable	13,730,558	175,044	1,266,504	581,745	1,043,998	16,797,849	19,701,536
Accrued payroll and fringe benefits	744,249		11,421	597,122	49,010	1,401,802	1,115,190
Due to other funds		47,553	2,980,109			3,027,662	2,622,668
Due to other governments					57,703	57,703	41,575
Deferred revenue		45,629			8,235,298	8,280,927	6,581,773
Total liabilities	15,501,799	268,226	4,258,034	1,281,527	10,337,136	31,646,722	30,071,434
Fund balances:							
Reserved for encumbrances	141,508,689	485,468	14,808,364	1,511,788	915,167	159,229,476	214,895,397
Reserved for employment insurance programs				337,215,819		337,215,819	300,920,444
Other reserves			43,398	460	5,000	48,858	40,939
Unreserved:							
Designated for incomplete projects					1,031,233	1,031,233	2,981,825
Undesignated	(105,258,234)	(485,468)	(14,808,364)		16,236,111	(104,315,955)	(170,473,905)
Total fund balances (Exhibit B-2)	36,250,455		43,398	338,728,067	18,187,511	393,209,431	348,364,700
Total liabilities and fund balances	$ 51,752,254	$ 268,226	$ 4,301,432	$ 340,009,594	$ 28,524,647	$ 424,856,153	$ 378,436,134

Exhibit B-2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1989

	Highway (B-4)	Capital Center Project (B-6)	Providence River Relocation-Memorial Boulevard Extension Project (B-8)	Employment Insurance (B-10)	Other (B-12)	Totals	
						June 30,1989	June 30,1988
Revenues:							
Taxes - employers and employees	$	$	$	$ 158,976,898	$	$ 158,976,898	$ 166,347,092
Licenses, fees, sales and services					2,361,484	2,361,484	2,053,247
Intergovernmental revenues:							
Federal	119,142,635	119,448		21,046,391	52,557	140,361,031	119,964,680
State				687,757		687,757	786,196
Municipal		7,609	2,236,799	280,000		2,524,408	1,470,886
Contributions					6,903,793	6,903,793	6,032,134
Income from investments			5,919	27,229,698	1,812,357	29,047,974	23,815,839
Miscellaneous income		7,864	93,157	1,814,886	1,726	1,917,633	1,659,448
Total revenues	119,142,635	134,921	2,335,875	210,035,630	11,131,917	342,780,978	322,129,522
Expenditures:							
Individual and family development				147,784,498		147,784,498	122,452,937
Economic development				24,015,185	8,946,573	32,961,758	27,280,433
Transportation	139,750,977	513,777	11,130,377			151,395,131	130,557,134
Total expenditures	139,750,977	513,777	11,130,377	171,799,683	8,946,573	332,141,387	280,290,504
Excess (deficiency) of revenues over expenditures	(20,608,342)	(378,856)	(8,794,502)	38,235,947	2,185,344	10,639,591	41,839,018
Other financing sources (uses):							
Interfund and intrafund transfers	26,050,868	378,856	8,800,421	(1,025,005)		34,205,140	40,951,080
Total other financing sources (uses)	26,050,868	378,856	8,800,421	(1,025,005)		34,205,140	40,951,080
Increase in fund balances	5,442,526		5,919	37,210,942	2,185,344	44,844,731	82,790,098
Fund balances, July 1	30,807,929		37,479	301,517,125	16,002,167	348,364,700	265,574,602
Fund balances, June 30 (Exhibit B-1)	$ 36,250,455	$	$ 43,398	$ 338,728,067	$ 18,187,511	$ 393,209,431	$ 348,364,700

HIGHWAY FUND
(Exhibits B-3 and B-4)

With the exception of the Capital Center Project and the Providence River Relocation-Memorial Boulevard Extension Project, the Highway Fund accounts for the financial operations of the state-federal highway construction program, including federal grants and construction payments.

The method of financing this large expenditure is set forth in the exhibits referred to above. Federal grants are recognized as revenue when receivable in reimbursement of allowable project costs. State bonds issued to finance highway projects are recognized as an other financing source to the Bond Capital Fund (refer to Exhibits D-1 and D-2) when issued. Cash transfers from the Bond Capital Fund to the Highway Fund are recorded as interfund transfers.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS Exhibit B-3

HIGHWAY FUND
BALANCE SHEETS

June 30, 1989 and 1988

Assets	1989	1988 *
Cash	$	$ 2,863,463
Investments		500,000
Accounts receivable	192,851	242,896
Due from general fund	157,020	
Due from bond capital fund	49,561	54,643
Due from capital center project fund	47,553	
Due from providence river relocation - memorial boulevard extension project fund	595,218	737,146
Due from federal government	50,710,051	42,777,741
Total assets	$ 51,752,254	$ 47,175,889

Liabilities and Fund Balances	1989	1988 *
Liabilities:		
Cash overdraft	$ 1,026,992	$
Vouchers and accounts payable	13,730,558	15,419,443
Accrued payroll and employee benefits	744,249	609,246
Due to general fund		228,894
Due to capital center project fund		110,377
Total liabilities	15,501,799	16,367,960
Fund balances:		
Reserved for encumbrances	141,508,689	194,935,556
Unreserved:		
Undesignated	(105,258,234)	(164,127,627)
Total fund balances (Exhibit B-4)	36,250,455	30,807,929
Total liabilities and fund balances	$ 51,752,254	$ 47,175,889

* Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-4

HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Federal	$ 119,142,635	$ 101,456,579
Total revenues	119,142,635	101,456,579
Expenditures:		
Transportation	139,750,977	121,250,280
Total expenditures	139,750,977	121,250,280
Excess (deficiency) of revenues over expenditures	(20,608,342)	(19,793,701)
Other financing sources (uses):		
Transfer from bond capital fund	33,061,000	38,467,075
Transfer to capital center project fund	(372,893)	(2,214,637)
Transfer to providence river relocation - memorial boulevard extension project fund	(6,637,239)	(2,449,792)
Total other financing sources (uses)	26,050,868	33,802,646
Increase in fund balances	5,442,526	14,008,945
Fund balances, July 1	30,807,929	16,798,984
Fund balances, June 30 (Exhibit B-3)	$ 36,250,455	$ 30,807,929

CAPITAL CENTER PROJECT FUND

(Exhibits B-5 and B-6)

The Capital Center Project Fund was created by executive order during the fiscal year ended June 30, 1983. The fund accounts for the relocation of Amtrak's rail passenger station and associated mainline right-of-way in Providence, Rhode Island, and construction of certain integrally related improvements, as part of the implementation of both the Northeast Corridor Improvement Project and the Capital Center Project.

Design and construction responsibilities, funding commitments, cost-sharing provisions, land exchange commitments, maintenance responsibilities, and provisions for historic preservation are specified in a cooperative agreement in effect among the following parties: the Federal Railroad Administration, the state, the City of Providence, the Providence Redevelopment Agency, the Providence and Worcester Realty Company, and the National Railroad Passenger Corporation (Amtrak). The agreement also specifies how the State, through the Department of Transportation is to handle Federal Highway Administration funding for the project.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-5

CAPITAL CENTER PROJECT FUND
BALANCE SHEETS

June 30, 1989 and 1988

Assets	1989	1988
Cash	$ 82,860	$ 357,397
Due from federal government		700,706
Due from highway fund		110,377
Due from bond capital fund		272
Due from others	475	300
Due from providence river relocation memorial boulevard extension project fund	184,891	220,870
Total assets	$ 268,226	$ 1,389,922
Liabilities and Fund Balances		
Liabilities:		
Vouchers and accounts payable	$ 175,044	$ 1,349,074
Deferred revenue	45,629	31,658
Accrued payroll and employee benefits		9,190
Due to highway fund	47,553	
Total liabilities	268,226	1,389,922
Fund balances:		
Reserved for encumbrances	485,468	958,905
Unreserved:		
Undesignated	(485,468)	(958,905)
Total fund balances (Exhibit B-6)		
Total liabilities and fund balances	$ 268,226	$ 1,389,922

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-6

CAPITAL CENTER PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Federal	$ 119,448	$ 888,214
Municipal	7,609	127,489
Other	7,864	24,636
Total revenues	134,921	1,040,339
Expenditures:		
Transportation	513,777	3,248,617
Total expenditures	513,777	3,248,617
Excess (deficiency) of revenues over expenditures	(378,856)	(2,208,278)
Other financing sources (uses):		
Transfer from highway fund	372,893	2,214,617
Transfer from bond capital fund	2,780	12,209
Transfer from R.I. Port Authority and Economic Development Corporation		3,791
Transfer from general fund	3,183	10,080
Transfer to providence river relocation - memorial boulevard extension project fund		(32,419)
Total other financing sources (uses)	378,856	2,208,278
Increase in fund balances		
Fund balances, July 1		
Fund balances, June 30 (Exhibit B-5)	$	$

PROVIDENCE RIVER RELOCATION-MEMORIAL BOULEVARD EXTENSION PROJECT FUND

(Exhibits B-7 and B-8)

This fund was established in accordance with Section 42-95-1 of the General Laws of the State of Rhode Island to account for a project involving the relocation of the Moshassuck and Woonasquatucket rivers, extension of Memorial Boulevard and related improvements.

Most of the funding for this project is provided by the State of Rhode Island, the Federal Highway Administration and the City of Providence. Design and construction responsibilities, funding commitments, cost-sharing provisions, land exchange commitments, maintenance responsibilities, and provisions for historic preservation are specified in a comprehensive agreement between the State and the City of Providence.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-7

PROVIDENCE RIVER RELOCATION - MEMORIAL BOULEVARD EXTENSION PROJECT FUND
BALANCE SHEETS

June 30, 1989 and 1988

Assets	1989	1988
Cash	$ 339,327	$ 749,258
Due from City of Providence	748,277	54,000
Due from State of Rhode Island and its agencies	3,158,395	2,469,881
Due from others	55,433	
Total assets	$ 4,301,432	$ 3,273,139
Liabilities and Fund Balances		
Liabilities:		
Vouchers and accounts payable	$ 1,266,504	$ 967,644
Advance from general fund	2,200,000	1,310,000
Accrued payroll and employee benefits	11,421	
Due to highway fund	595,218	737,146
Due to capital center project fund	184,891	220,870
Total liabilities	4,258,034	3,235,660
Fund balances:		
Reserved for encumbrances	14,808,364	17,699,636
Reserved for Rhode Island Port Authority and Economic Development Corporation	43,398	37,479
Unreserved:		
Undesignated	(14,808,364)	(17,699,636)
Total fund balances (Exhibit B-8)	43,398	37,479
Total liabilities and fund balances	$ 4,301,432	$ 3,273,139

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-8

PROVIDENCE RIVER RELOCATION - MEMORIAL BOULEVARD EXTENSION PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Municipal	$ 2,236,799	$ 1,143,397
Income from investments	5,919	14,391
Other	93,157	75,696
Total revenues	2,335,875	1,233,484
Expenditures:		
Transportation	11,130,377	6,058,237
Total expenditures	11,130,377	6,058,237
Excess (deficiency) of revenues over expenditures	(8,794,502)	(4,824,753)
Other financing sources:		
Transfer from State of Rhode Island and its agencies	2,163,182	2,469,881
Transfer from capital center project fund		32,419
Transfer from highway fund	6,637,239	2,449,792
Total other financing sources	8,800,421	4,952,092
Increase in fund balances	5,919	127,339
Fund balances (deficit), July 1	37,479	(89,860)
Fund balances, June 30 (Exhibit B-7)	$ 43,398	$ 37,479

EMPLOYMENT INSURANCE FUNDS

(Exhibits B-9 and B-10)

The Employment Security Funds and Temporary Disability Insurance Funds, and the respective administration accounts are designated as Employment Insurance Funds for financial statement purposes.

The Department of Employment Security provides benefit payments under all state and federal employment programs. Net benefits paid increased $22,688,816 from the previous year to $94,786,377.

Income to the Employment Security Funds derived from employer contributions totaled $115,481,286 which was a decrease from the prior year of $10,329,599.

Funds in trust, $287,019,932, represents amounts collected from employers for the payment of unemployment compensation and held by the United States Treasury Department.

Net benefit payments from Temporary Disability Insurance Funds to eligible workers who are unable to work because of sickness or injury that is work-connected, increased $2,642,745 to a total of $52,998,121.

Tax revenues increased by $2,959,405 to $43,495,612.

The balance of the combined Temporary Disability Funds decreased by $9,701,933 to $45,490,655.

Exhibit B-9

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING BALANCE SHEETS
EMPLOYMENT INSURANCE SPECIAL REVENUE FUNDS

June 30, 1989

	Employment Security						R.I. Temporary Disability Insurance			Totals	
Assets	Adminis-tration	Trust	Benefit	Interest	Tardy	Job Development	Adminis-tration	Reserve	Compensation	June 30, 1989	June 30, 1988
Cash	$ 212,994	$	$ 49,947	$ 115,816	$ 249,273	$ 141,336	$ 113,153	$ 163,311	$	$ 1,045,830	$ 1,121,892
Imprest cash	460									460	460
Funds in trust		287,019,932								287,019,932	241,842,542
Investments				875,000	1,025,000			44,250,000		46,150,000	55,550,000
Amounts due from federal and state agencies	1,318,916									1,318,916	922,167
Receivables:											
Taxes		2,095,776				68,134		888,684		3,052,594	1,943,595
Accounts			1,046,958						374,904	1,421,862	1,331,594
Total assets	$ 1,532,370	$ 289,115,708	$ 1,096,905	$ 990,816	$ 1,274,273	$ 209,470	$ 113,153	$ 45,301,995	$ 374,904	$ 340,009,594	$ 302,712,250
Liabilities and Fund Balances											
Liabilities:											
Cash overdraft	$	$ 67,152	$	$	$	$	$	$	$ 35,508	$ 102,660	$ 8,692
Vouchers and accounts payable	393,139						188,606			581,745	721,394
Accrued payroll and fringe benefits	521,839						75,283			597,122	465,039
Total liabilities	914,978	67,152					263,889		35,508	1,281,527	1,195,125
Fund balances:											
Reserved for encumbrances	1,446,969						64,819			1,511,788	596,221
Reserved for imprest cash advance	460									460	460
Reserved for employment insurance programs	(830,037)	289,048,556	1,096,905	990,816	1,274,273	209,470	(215,555)	45,301,995	339,396	337,215,819	300,920,444
Total fund balances (deficit) (Exhibit B-10)	617,392	289,048,556	1,096,905	990,816	1,274,273	209,470	(150,736)	45,301,995	339,396	338,728,067	301,517,125
Total liabilities and fund balances	$ 1,532,370	$ 289,115,708	$ 1,096,905	$ 990,816	$ 1,274,273	$ 209,470	$ 113,153	$ 45,301,995	$ 374,904	$ 340,009,594	$ 302,712,250

Exhibit B 10

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
EMPLOYMENT INSURANCE SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 1989

	Employment Security						R.I. Temporary Disability Insurance			Totals Years Ended	
	Adminis-tration	Trust	Benefit	Interest	Tardy	Job Development	Adminis tration	Reserve	Compensation	June 30, 1989	June 30, 1988
Revenues:											
Taxes - employers' and employees'	$	$ 113,921,816	$	$	$	$ 1,559,470	$	$ 43,495,612	$	$ 158,976,898	$ 166,347,092
Intergovernmental revenue:											
Federal	18,950,197		2,096,194							21,046,391	17,546,858
State		687,757								687,757	786,196
Muncipal			280,000							280,000	200,000
Income from investments				60,576	70,554			4,248,590		4,379,720	4,391,447
Interest earnings-funds in trust		22,849,978								22,849,978	18,033,724
Refunds and miscellaneous income	447,903	47,144	7,961					3,544	51,016	557,568	287,730
Interest and penalties on delinquent payments				337,106	920,212					1,257,318	1,271,220
Total revenues	19,398,100	137,506,695	2,384,155	397,682	990,766	1,559,470		47,747,746	51,016	210,035,630	208,864,267
Expenditures:											
Economic development - Employment resources	19,512,459			153			4,502,573			24,015,185	21,184,114
Individual and family development - benefits paid			94,786,377						52,998,121	147,784,498	122,452,937
Total expenditures	19,512,459		94,786,377	153			4,502,573		52,998,121	171,799,683	143,637,051
Excess of revenues over (under) expenditures	(114,359)	137,506,695	(92,402,222)	397,529	990,766	1,559,470	(4,502,573)	47,747,746	(52,947,105)	38,235,947	65,227,216
Other financing sources (uses):											
Interfund transfers	519,172	(92,150,000)	92,474,995	(19,172)	(500,000)	(1,350,000)	4,545,303	(57,395,303)	52,850,000	(1,025,005)	(11,936)
Total other financing sources (uses)	519,172	(92,150,000)	92,474,995	(19,172)	(500,000)	(1,350,000)	4,545,303	(57,395,303)	52,850,000	(1,025,005)	(11,936)
Increase (decrease) in fund balances	404,813	45,356,695	72,773	378,357	490,766	209,470	42,730	(9,647,557)	(97,105)	37,210,942	65,215,280
Fund balances (deficit), July 1	212,579	243,691,861	1,024,132	612,459	783,507		(193,466)	54,949,552	436,501	301,517,125	236,301,845
Fund balances (deficit), June 30 (Exhibit B 9)	$ 617,392	$ 289,048,556	$ 1,096,905	$ 990,816	$ 1,274,273	$ 209,470	$ (150,736)	$ 45,301,995	$ 339,396	$ 338,728,067	$ 301,517,125

OTHER SPECIAL REVENUE FUNDS

(Exhibits B-11 and B-12)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-11

COMBINING BALANCE SHEETS
OTHER SPECIAL REVENUE FUNDS

June 30, 1989

Assets	Recreation Area Development	Dr. John E. Donley Rehabilitation Center	Public Utilities	Second Injury Indemnity	Totals June 30,1989	Totals June 30,1988
Cash	$	$ 2,779,651	$ 1,183	$ 4,967,123	$ 7,747,957	$ 4,991,344
Imprest cash		5,000			5,000	3,000
Investments	3,800,000	10,375,000		6,400,000	20,575,000	18,688,000
Accounts receivable	51,513		145,177		196,690	140,519
Due from federal government						62,071
Total assets	$ 3,851,513	$ 13,159,651	$ 146,360	$11,367,123	$ 28,524,647	$ 23,884,934
Liabilities and Fund Balances						
Liabilities:						
Cash overdraft	$ 951,127	$	$	$	$ 951,127	$
Vouchers and accounts payable	332,645	97,250	75,915	538,188	1,043,998	1,243,981
Accrued payroll and fringe benefits	4,720	26,766		17,524	49,010	31,715
Due to general fund						15,381
Due to other governments	57,703				57,703	41,575
Deferred revenue		2,907,904		5,327,394	8,235,298	6,550,115
Total liabilities	1,346,195	3,031,920	75,915	5,883,106	10,337,136	7,882,767
Fund balances:						
Reserved for encumbrances	735,000	101,967	66,786	11,414	915,167	705,079
Reserved for imprest cash funds		5,000			5,000	3,000
Unreserved:						
Designated for incomplete projects	1,031,233				1,031,233	2,981,825
Undesignated	739,085	10,020,764	3,659	5,472,603	16,236,111	12,312,263
Total fund balances (Exhibit B-12)	2,505,318	10,127,731	70,445 (1)	5,484,017	18,187,511	16,002,167
Total liabilities and fund balances	$ 3,851,513	$ 13,159,651	$ 146,360	$11,367,123	$ 28,524,647	$ 23,884,934

(1) Consists of:	
Public utilities reserve fund..............	$ 73,862
Special fund for studies and research......	(375)
Energy facility siting fund................	(3,042)
	$ 70,445

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit B-12

OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 1989

	Recreation Area Development	Dr. John E. Donley Rehabilitation Center	Public Utilities	Second Injury Indemnity	Totals	
					Year Ended	
					June 30,1989	June 30,1988
Revenues:						
Licenses, fees, sales, and services	$ 1,895,061	$	$ 466,423	$	$ 2,361,484	$ 2,053,247
Federal grants	52,557				52,557	73,029
Contributions		2,438,416		4,465,377	6,903,793	6,032,134
Income from investments	383,791	825,155		603,411	1,812,357	1,376,277
Miscellaneous income		1,726			1,726	166
Total revenues	2,331,409	3,265,297	466,423	5,068,788	11,131,917	9,534,853
Expenditures:						
Economic development	3,513,087	1,691,344	493,212	3,248,930	8,946,573	6,096,319
Total expenditures	3,513,087	1,691,344	493,212	3,248,930	8,946,573	6,096,319
Increase (decrease) in fund balances	(1,181,678)	1,573,953	(26,789)	1,819,858	2,185,344	3,438,534
Fund balances, July 1	3,686,996	8,553,778	97,234	3,664,159	16,002,167	12,563,633
Fund balances, June 30 (Exhibit B-11)	$ 2,505,318	$ 10,127,731	$ 70,445	$5,484,017	$ 18,187,511	$ 16,002,167

FINANCIAL SECTION

Exhibit/
Schedule

UNIVERSITY AND COLLEGE FUNDS:

Combining Balance Sheet - Governmental Fund Types C-1

Combining Balance Sheet - Fiduciary Fund Types C-2

Combining Balance Sheet - Account Group - General Long-Term Debt C-3

University of Rhode Island

Combined Balance Sheet - All Fund Types and Account Groups C-4

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types . . C-5

Statement of Revenues, Expenditures, Encumbrances, and Other Financing Sources - Budget and Actual - General Educational Fund C-6

Rhode Island College

Combined Balance Sheet - All Fund Types and Account Groups . C-7

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types C-8

Statement of Revenues, Expenditures, Encumbrances and Other Financing Uses - Budget and Actual - General Educational Fund C-9

Community College of Rhode Island

Combined Balance Sheet - All Fund Types and Account Groups C-10

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types C-11

Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual - General Educational Fund C-12

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-1

UNIVERSITY AND COLLEGES
COMBINING BALANCE SHEET - GOVERNMENTAL FUND TYPES

June 30, 1989

				Totals	
				(memorandum only)	
Assets	University of Rhode Island (C-4)	Rhode Island College (C-7)	Community College of Rhode Island (C-10)	June 30, 1989	June 30, 1988
Cash (including funds on deposit with state treasurer)	$ 8,860,889	$ 4,417,509	$ 1,224,099	$ 14,502,497	$ 12,583,318
Investments	7,221,111	363,858	1,461,191	9,046,160	8,243,107
Funds on deposit with trustee:					
For retirement of general long term debt	1,781,688	411,997	423,176	2,616,861	2,431,798
For renewals and replacements	1,251,142	651,691	136,491	2,039,324	1,936,254
Receivables (net, where applicable, of allowance for doubtful accounts of $889,053)	3,868,813	910,636	474,871	5,254,320	5,424,590
Accrued interest receivable	8,908	29,884		38,792	20,929
Due from other funds	504,305	369,542	75,371	949,218	946,577
Loans and notes receivable (net of allowance for doubtful loans of $1,196,915)	7,589,037	2,655,098		10,244,135	10,067,732
Unbilled charges - current	3,686,063			3,686,063	4,004,104
Other assets	56,187			56,187	83,783
Inventory	1,466,410	300,264	257,650	2,024,324	1,749,722
Total assets	$ 36,294,553	$ 10,110,479	$ 4,052,849	$ 50,457,881	$ 47,491,914

Liabilities and Fund Balances					
Liabilities:					
Cash overdraft	$ 2,002,978	$	$	$ 2,002,978	$ 2,296,745
Accounts payable and accrued expenses	7,703,151	3,104,614	1,672,397	12,480,162	10,804,478
Due to other funds	489,126	354,910	83,288	927,324	1,025,983
Deferred revenue	3,786,952	994,521	627,996	5,409,469	4,678,522
Total liabilities	13,982,207	4,454,045	2,383,681	20,819,933	18,805,728
Fund balances (deficit):					
Portion of expenditures funded through 1990 budget			(118,083)	(118,083)	
Reserved for:					
Encumbrances	5,298,782	663,871	90,845	6,053,498	6,595,093
Academic college overhead	845,498			845,498	1,174,420
Retirement of general long-term debt	1,818,795	411,997	423,176	2,653,968	2,536,950
Renewals and replacements	1,407,946	673,846	136,491	2,218,283	2,008,311
Sponsored programs and student aid	32,157	19,676	24,108	75,941	(8,064)
Loan fund	7,907,723	2,952,927		10,860,650	10,476,946
Auxiliary enterprises	4,119,071	859,512		4,978,583	3,670,325
Restricted grants, gifts, and aid	882,374			882,374	1,246,804
Trust indenture			1,112,631	1,112,631	940,468
Landscaping fund		9,846		9,846	44,933
Subsequent year's expenditures		64,759		64,759	
Total fund balances	22,312,346	5,656,434	1,669,168	29,637,948	28,686,186
Total liabilities and fund balances	$ 36,294,553	$ 10,110,479	$ 4,052,849	$ 50,457,881	$ 47,491,914

Exhibit C-2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

UNIVERSITY AND COLLEGES
COMBINING BALANCE SHEET - FIDUCIARY FUND TYPES

June 30, 1989

	University of Rhode Island (C-4)	Rhode Island College (C-7)	Community College of Rhode Island (C-10)	Totals (memorandum only) June 30, 1989	Totals (memorandum only) June 30, 1988
Assets					
Cash	$ 155,847	$479,103	$ 50,679	$ 685,629	$ 379,198
Investments	826	29,038		29,864	227,801
Receivables	17,374	4,126		21,500	28,788
Due from other funds			7,917	7,917	79,406
Total assets	$ 174,047	$512,267	$ 58,596	$ 744,910	$ 715,193
Liabilities					
Accounts payable and accrued expenses	$ 6,997	$	$	$ 6,997	$ 902
Deposits held in custody for others	151,871	497,635	58,596	708,102	714,291
Due to other funds	15,179	14,632		29,811	
Total liabilities	$ 174,047	$512,267	$ 58,596	$ 744,910	$ 715,193

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-3

UNIVERSITY AND COLLEGES
COMBINING BALANCE SHEET
ACCOUNT GROUP - GENERAL LONG-TERM DEBT

June 30, 1989

	University of Rhode Island (C-4)	Rhode Island College (C-7)	Community College of Rhode Island (C-10)	Totals (memorandum only) June 30, 1989	Totals (memorandum only) June 30, 1988*
Assets					
Amounts available in debt service fund	$ 1,818,795	$ 411,997	$ 423,176	$ 2,653,968	$ 2,471,745
Amount to be provided for retirement of general long-term debt	4,361,205	2,057,003	2,477,824	8,896,032	9,807,255
Amount to be provided for retirement of capital lease obligations	1,086,448	4,964,388	828,700	6,879,536	1,952,420
Total assets	$ 7,266,448	$7,433,388	$3,729,700	$ 18,429,536	$ 14,231,420
Liabilities					
Bonds payable	$ 6,180,000	$2,469,000	$2,901,000	$ 11,550,000	$ 12,279,000
Obligations under capital leases	1,086,448	4,964,388	828,700	6,879,536	1,952,420
Total liabilities	$ 7,266,448	$7,433,388	$3,729,700	$ 18,429,536	$ 14,231,420

* Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-4

UNIVERSITY OF RHODE ISLAND
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1989

	Governmental fund types				Fiduciary fund type	Account groups		Totals (memorandum only)	
Assets	General educational	Special revenue	Debt service	Capital projects	Agency	General fixed assets (unaudited)	General long-term debt	June 30, 1989	June 30, 1988 *
Cash (including funds on deposit with state treasurer)	$ 8,828,608	$	$ 32,281	$	$155,847	$	$	$ 9,016,736	$ 8,862,091
Investments, at cost	3,814,931	3,406,180			826			7,221,937	6,544,995
Funds on deposit with trustee:									
For retirement of general long-term debt			1,781,688					1,781,688	1,632,091
For renewals and replacements		1,251,142						1,251,142	1,148,629
Receivables (net, where applicable, of allowance for doubtful accounts of $453,757)	623,470	3,201,162		44,181	11,952			3,880,765	3,963,198
Accrued interest receivable		4,279	4,629					8,908	13,023
Loans and notes receivable (net of allowance for doubtful loans of $751,900)		7,589,037			5,422			7,594,459	7,578,777
Unbilled charges - current		3,686,063						3,686,063	4,004,104
Inventory	395,473	1,070,937						1,466,410	1,359,794
Due from other funds	504,108		197					504,305	753,877
Other assets	16,000	40,187						56,187	83,783
Land and improvements						8,037,124		8,037,124	7,986,441
Buildings						151,604,873		151,604,873	148,916,247
Equipment						29,205,673		29,205,673	26,177,971
Amounts available in debt service fund							1,818,795	1,818,795	1,672,038
Amount to be provided for retirement of capital lease obligations							1,086,448	1,086,448	1,060,886
Amount to be provided for retirement of general long-term debt							4,361,205	4,361,205	5,030,962
Total assets	$ 14,182,590	$ 20,248,987	$ 1,818,795	$ 44,181	$174,047	$188,847,670	$ 7,266,448	$232,582,718	$226,788,907
Liabilities and Fund Equity									
Liabilities:									
Cash overdraft	$ 69,729	$ 1,933,249	$	$	$	$	$	$ 2,002,978	$ 2,281,129
Accounts payable and accrued expenses	5,555,222	2,147,929			6,997			7,710,148	7,264,804
Due to other funds		444,945		44,181	15,179			504,305	753,877
Deposits held in custody for others					151,871			151,871	161,142
Deferred revenue	2,413,359	1,373,593						3,786,952	3,459,740
Capital lease obligations							1,086,448	1,086,448	1,060,886
Bonds payable							6,180,000	6,180,000	6,703,000
Total liabilities	8,038,310	5,899,716		44,181	174,047		7,266,448	21,422,702	21,686,578
Fund equity:									
Investment in general fixed assets						188,847,670		188,847,670	183,080,659
Fund balances:									
Reserved for:									
Academic college overhead	845,498							845,498	1,174,420
Retirement of general long-term debt			1,818,795					1,818,795	1,737,243
Renewals and replacements		1,407,946						1,407,946	1,220,686
Auxiliary enterprises		4,119,071						4,119,071	3,070,675
Restricted grants, gifts, and aid		882,374						882,374	1,246,804
Sponsored programs		32,157						32,157	15,818
Loan fund		7,907,723						7,907,723	7,700,829
Encumbrances	5,298,782							5,298,782	5,855,195
Total fund balances	6,144,280	14,349,271	1,818,795					22,312,346	22,021,670
Total fund equity	6,144,280	14,349,271	1,818,795			188,847,670		211,160,016	205,102,329
Total liabilities and fund equity	$ 14,182,590	$ 20,248,987	$ 1,818,795	$ 44,181	$174,047	$188,847,670	$ 7,266,448	$232,582,718	$226,788,907

* Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-5

UNIVERSITY OF RHODE ISLAND
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1989

	Governmental fund types			Totals (memorandum only)	
	General educational	Special revenue	Debt service	June 30, 1989	June 30, 1988
Revenues:					
State appropriations	$ 68,670,918	$	$	$ 68,670,918	$ 64,536,729
Student tuition and fees	40,447,614			40,447,614	36,342,184
Grants, gifts, and student aid:					
Federal	4,142,934	25,513,343	40,994	29,697,271	29,336,661
State	121,830	2,949,074		3,070,904	1,978,546
Private		4,248,427		4,248,427	3,332,374
State asset protection		706,127		706,127	
Auxiliary enterprises		26,827,503		26,827,503	24,509,421
Other sources, including interest income	6,294,240	720,943	146,757	7,161,940	6,798,497
Total revenues	119,677,536	60,965,417	187,751	180,830,704	166,834,412
Expenditures:					
Personnel services	89,321,921	14,631,049		103,952,970	93,594,127
Operating:					
Cost of sales		5,659,117		5,659,117	5,199,126
Out of state travel	651,877	213,400		865,277	767,692
Repairs	1,819,261	1,335,421		3,154,682	2,457,976
Utilities	3,029,607	1,292,320		4,321,927	4,512,390
Other	10,931,677	5,187,676	65,205	16,184,558	15,902,155
Sponsored programs		25,618,103		25,618,103	23,704,652
Student aid	6,115,707	3,876,069		9,991,776	8,921,101
Capital	6,517,050	1,026,353		7,543,403	6,497,210
Debt service:					
University obligations			1,081,003	1,081,003	1,078,058
State obligations	2,167,212			2,167,212	2,397,599
Total expenditures	120,554,312	58,839,508	1,146,208	180,540,028	165,032,086
Excess (deficiency) of revenues over expenditures	(876,776)	2,125,909	(958,457)	290,676	1,802,326
Other financing sources (uses):					
Operating transfers in		8,559	1,040,009	1,048,568	1,796,987
Operating transfers out:					
Mandatory	(8,559)	(1,040,009)		(1,048,568)	(1,318,494)
Nonmandatory					(478,493)
Board of governors for higher education					(350,000)
Proceeds from Rhode Island Health and Educational Building Corporation taxable revenue bonds					3,920,000
Total other financing sources (uses)	(8,559)	(1,031,450)	1,040,009		3,570,000
Excess (deficiency) of revenues, and other financing sources over expenditures and other financing uses	(885,335)	1,094,459	81,552	290,676	5,372,326
Fund balances, July 1	7,029,615	13,254,812	1,737,243	22,021,670	16,649,344
Fund balances, June 30 (Exhibit C-4)	$ 6,144,280	$ 14,349,271	$ 1,818,795	$ 22,312,346	$ 22,021,670

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-6

UNIVERSITY OF RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

Year Ended June 30, 1989

	Budget			Variance	
	Executive/ legislative as enacted	Board of Governors for Higher Education final allocation	Actual	Executive/ legislative favorable** (unfavorable)	Board of Governors favorable** (unfavorable)
Revenues:					
State appropriations	$ 66,859,211	$ 69,152,263	$ 68,670,918	$ 1,811,707	$ (481,345)
Student tuition and fees	35,543,862	40,336,901	40,447,614	4,903,752	110,713
Indirect costs recovered:					
Grants and contracts	4,000,000	4,424,420	4,264,764	264,764	(159,656)
Auxiliary enterprises	1,429,168	1,429,168	1,429,168		
Other sources	4,406,500	5,026,522	4,865,072	458,572	(161,450)
Total revenues	112,238,741	120,369,274	119,677,536	7,438,795	(691,738)
Expenditures and encumbrances:					
Personnel services	79,415,773	86,225,595	86,696,281 *	(7,280,508)	(470,686)
Operating:					
Out of state travel	379,881	460,561	494,127 *	(114,246)	(33,566)
Repairs	1,933,353	1,722,529	1,481,182 *	452,171	241,347
Utilities	3,361,469	3,382,144	3,025,412 *	336,057	356,732
Other	11,791,577	12,195,116	11,571,432 *	220,145	623,684
Total operating	17,466,280	17,760,350	16,572,153 *	894,127	1,188,197
Student aid	5,475,312	5,997,362	6,153,275 *	(677,963)	(155,913)
Capital	5,823,819	5,528,990	6,031,276 *	(207,457)	(502,286)
Debt service	2,057,557	2,057,557	2,167,212	(109,655)	(109,655)
Academic college overhead	2,000,000	2,799,420	2,386,261	(386,261)	413,159
Total expenditures and encumbrances	112,238,741	120,369,274	120,006,458	(7,767,717)	362,816
Excess (deficiency) of revenues over expenditures and encumbrances			(328,922)	(328,922)	(328,922)
Other financing sources:					
1988 academic college overhead carryforward			1,174,420	1,174,420	1,174,420
Allocation to:					
Academic college overhead			(845,498)	(845,498)	(845,498)
Excess of revenues and other financing sources over expenditures and encumbrances	$	$	$	$	$

---

* Includes year end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

Exhibit C-7

RHODE ISLAND COLLEGE
COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1989

	Governmental fund types				Fiduciary fund type	Account groups		Totals (memorandum only)	
Assets	General educational	Special revenue	Debt service	Capital projects	Agency	General fixed assets (unaudited)	General long term debt	June 30, 1989	June 30, 1988 *
Cash (including funds on deposit with state treasurer)	$ 3,662,667	$ 754,842	$	$	$ 479,103	$	$	$ 4,896,612	$ 2,978,060
Investments, at cost				363,858	29,038			392,896	726,975
Funds on deposit with trustee:									
For retirement of general long term debt			411,997					411,997	409,948
For renewals and replacements		651,691						651,691	653,742
Receivables (net, where applicable, of allowance for doubtful accounts of $410,795)	173,829	736,807			4,126			914,762	918,136
Accrued interest receivable		29,884						29,884	7,906
Due from other funds		123,192		246,350				369,542	235,587
Loans and notes receivable (net of allowance for doubtful loans of $445,015)		2,655,098						2,655,098	2,494,377
Inventory		300,264						300,264	195,602
Land						2,382,143		2,382,143	2,341,329
Buildings						29,574,782		29,574,782	26,611,312
Equipment						19,352,315		19,352,315	17,928,105
Amounts available in debt service fund							411,997	411,997	409,948
Amount to be provided for capital lease payments							4,964,388	4,964,388	450,348
Amount to be provided for retirement of general long term debt							2,057,003	2,057,003	2,185,052
Total assets	$ 3,836,496	$ 5,251,778	$ 411,997	$ 610,208	$ 512,267	$ 51,309,240	$ 7,433,388	$ 69,365,374	$ 58,546,427
Liabilities and Fund Equity									
Liabilities:									
Cash overdraft	$	$	$	$	$	$	$	$	$ 13,616
Accounts payable and accrued expenses	2,340,135	424,049		340,430				3,104,614	2,078,847
Due to other funds	354,910				14,632			369,542	235,587
Deposits held in custody for others					497,635			497,635	497,491
Deferred revenue	682,599	311,922						994,521	865,929
Obligations under capital leases							4,964,388	4,964,388	450,348
Bonds payable							2,469,000	2,469,000	2,595,000
Total liabilities	3,377,644	735,971		340,430	512,267		7,433,388	12,399,700	6,736,818
Fund equity:									
Investment in general fixed assets						51,309,240		51,309,240	46,880,746
Fund balances (deficit):									
Reserved for:									
Encumbrances	450,409			213,462				663,871	497,094
Retirement of general long term debt			411,997					411,997	409,948
Renewals and replacements		673,846						673,846	653,742
Sponsored programs and student aid		19,676						19,676	(52,621)
Loan fund:									
Federal government grants - refundable		2,611,934						2,611,934	2,456,258
College funds - restricted		340,993						340,993	319,859
Auxiliary enterprises		859,512						859,512	599,650
Landscaping fund		9,846						9,846	44,933
Unreserved:									
Designated for subsequent years' expenditures	8,443			56,316				64,759	
Total fund balances	458,852	4,515,807	411,997	269,778				5,656,434	4,928,863
Total fund equity	458,852	4,515,807	411,997	269,778		51,309,240		56,965,674	51,809,609
Total liabilities and fund equity	$ 3,836,496	$ 5,251,778	$ 411,997	$ 610,208	$ 512,267	$ 51,309,240	$ 7,433,388	$ 69,365,374	$ 58,546,427

* Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-8

RHODE ISLAND COLLEGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1989

	Governmental fund types				Totals (memorandum only)	
	General educational	Special revenue	Debt service	Capital projects	June 30, 1989	June 30, 1988
Revenues:						
State appropriations	$ 31,285,719	$	$	$	$ 31,285,719	$ 28,779,171
Student tuition and fees	11,344,063				11,344,063	10,111,998
Federal appropriations			23,310		23,310	23,310
Grants, student aid and indirect cost recovered:						
Federal	48,857	4,251,828			4,300,685	3,595,169
State	401,273	1,858,199			2,259,472	1,376,440
State asset protection		509,317			509,317	
Educational activities	779,722				779,722	742,471
Auxiliary enterprises		5,298,068			5,298,068	4,616,958
Other sources, including interest income	408,885	243,845	26,419	15,468	694,617	677,355
Total revenues	44,268,519	12,161,257	49,729	15,468	56,494,973	49,922,872
Expenditures:						
Personnel services	34,006,892	4,272,974			38,279,866	35,119,933
Operating:						
Cost of sales		1,679,726			1,679,726	1,402,903
Out of state travel	87,070	47,122			134,192	116,394
Repairs	1,387,609	1,289,780		294,904	2,972,293	1,900,127
Utilities	1,025,489	185,292			1,210,781	1,046,299
Other	3,532,375	1,270,591			4,802,966	4,085,090
Student aid	1,734,194	2,672,186			4,406,380	4,103,373
Capital	1,300,388	85,137		421,897	1,807,422	1,429,125
Debt service:						
College obligations			231,973		231,973	234,518
State obligations	791,803				791,803	769,460
Total expenditures	43,865,820	11,502,808	231,973	716,801	56,317,402	50,207,222
Excess (deficiency) of revenues over expenditures	402,699	658,449	(182,244)	(701,333)	177,571	(284,350)
Other financing sources (uses):						
Proceeds from sale of building				550,000	550,000	
Operating transfers in						
Mandatory		31,830	184,293		216,123	183,212
Non-mandatory				421,111	421,111	70,000
1988 Board of Governors for Higher Education						227,500
Operating transfers out						
Mandatory	(19,830)	(196,293)			(216,123)	(183,212)
Non-mandatory	(421,111)				(421,111)	(70,000)
Total other financing sources (uses)	(440,941)	(164,463)	184,293	971,111	550,000	227,500
Excess (deficiency) of revenues and other sources over expenditures and other uses	(38,242)	493,986	2,049	269,778	727,571	(56,850)
Fund balances, July 1	497,094	4,021,821	409,948		4,928,863	4,985,713
Fund balances, June 30 (Exhibit C-7)	$ 458,852	$ 4,515,807	$ 411,997	$ 269,778	$ 5,656,434	$ 4,928,863

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-9

RHODE ISLAND COLLEGE
STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

For the Fiscal Year Ended June 30, 1989

	Budget			Variance	
	Executive/ legislative as enacted	Board of Governors for Higher Education final allocation	Actual	Executive/ legislative favorable** (unfavorable)	Board of Governors favorable** (unfavorable)
Revenues:					
State appropriations	$ 30,079,967	$ 31,363,935	$ 31,285,719	$ 1,205,752	$ (78,216)
Student tuition and fees	10,300,610	11,042,814	11,344,063	1,043,453	301,249
Indirect cost recovered:					
Grants and contracts	125,000	125,000	125,237	237	237
Auxiliaries	324,893	324,893	324,893		
Sales and services, educational activities	1,594,100	890,000	955,117	(638,983)	65,117
Investment income	200,000	200,000	233,490	33,490	33,490
Total revenues	42,624,570	43,946,642	44,268,519	1,643,949	321,877
Expenditures and encumbrances:					
Personnel services	32,834,213	33,830,806	33,717,413 *	(883,200)	113,393
Operating:					
Out of state travel	75,000	85,000	87,070	(12,070)	(2,070)
Repairs	1,500,000	1,034,359	1,481,881 *	18,119	(447,522)
Utilities	992,348	950,000	1,018,216 *	(25,868)	(68,216)
Workers' compensation	150,000	250,000	253,577 *	(103,577)	(3,577)
Other	3,158,646	3,604,805	3,373,320 *	(214,674)	231,485
Total operating	5,875,994	5,924,164	6,214,064	(338,070)	(289,900)
Student aid	1,767,344	1,828,500	1,734,194	33,150	94,306
Capital	1,360,000	1,576,153	1,326,307 *	33,693	249,846
Debt service - state obligations	757,019	757,019	791,803	(34,784)	(34,784)
Academic college overhead	30,000	30,000	35,354	(5,354)	(5,354)
Total expenditures and encumbrances	42,624,570	43,946,642	43,819,135	(1,194,565)	127,507
Excess of revenues over expenditures and encumbrances			449,384	449,384	449,384
Other financing uses:					
Operating transfers out:					
Mandatory			(19,830)	(19,830)	(19,830)
Non-mandatory			(421,111)	(421,111)	(421,111)
Excess of revenues over expenditures, encumbrances, and other finacing uses	$	$	$ 8,443	$ 8,443	$ 8,443

* Includes year end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-10

COMMUNITY COLLEGE OF RHODE ISLAND
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1989

	Governmental fund types			Fiduciary fund type	Account groups		Totals (memorandum only)	
Assets	General educational	Special revenue	Debt service	Agency	General fixed assets (unaudited)	General long term debt	1989	1988 *
Cash (including funds on deposit with state treasurer)	$ 1,165,414	$ 58,685	$	$ 50,679	$	$	$ 1,274,778	$ 1,122,365
Short-term investments, at cost which approximates market	695,508	765,683					1,461,191	1,198,938
Funds on deposit with trustee:								
For retirement of general long-term debt			423,176				423,176	389,759
For renewals and replacements		136,491					136,491	133,883
Receivables (net, where applicable, of allowance for doubtful accounts of $24,501)	181,880	292,991					474,871	566,622
Inventory		257,650					257,650	194,326
Due from other funds		75,371		7,917			83,288	36,519
Land					428,283		428,283	428,283
Buildings					36,935,866		36,935,866	36,028,425
Equipment					14,413,942		14,413,942	13,225,358
Amounts available in debt service fund						423,176	423,176	389,759
Amount to be provided for capital lease payments						828,700	828,700	441,186
Amount to be provided for retirement of general long term debt						2,477,824	2,477,824	2,591,241
Total assets	$ 2,042,802	$ 1,586,871	$ 423,176	$ 58,596	$ 51,778,091	$ 3,729,700	$ 59,619,236	$ 56,746,664
Liabilities and Fund Equity								
Liabilities:								
Accounts payable and accrued expenses	$ 1,478,804	$ 193,593	$	$	$	$	$ 1,672,397	$ 1,461,729
Due to other funds	83,288						83,288	36,519
Deposits held in custody for others				58,596			58,596	55,658
Deferred revenue	507,948	120,048					627,996	352,853
Bonds payable						2,901,000	2,901,000	2,981,000
Obligations under capital leases						828,700	828,700	441,186
Total liabilities	2,070,040	313,641		58,596		3,729,700	6,171,977	5,328,945
Fund equity:								
Investment in general fixed assets					51,778,091		51,778,091	49,682,066
Fund balances:								
Portion of expenditures funded through 1990 budget	(118,083)						(118,083)	
Reserved for:								
Trust indenture		1,112,631					1,112,631	940,468
Retirement of general long-term debt			423,176				423,176	389,759
Renewals and replacements		136,491					136,491	133,883
Encumbrances	90,845						90,845	242,804
Sponsored programs		24,108					24,108	28,739
Total fund balances	(27,238)	1,273,230	423,176				1,669,168	1,735,653
Total fund equity	(27,238)	1,273,230	423,176		51,778,091		53,447,259	51,417,719
Total liabilities and fund equity	$ 2,042,802	$ 1,586,871	$ 423,176	$ 58,596	$ 51,778,091	$ 3,729,700	$ 59,619,236	$ 56,746,664

* Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-11

COMMUNITY COLLEGE OF RHODE ISLAND
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Fiscal Year Ended June 30, 1989

	Governmental fund types			Totals (memorandum only)	
	General educational	Special revenue	Debt service	1989	1988
Revenues:					
State appropriations	$ 27,016,739	$	$	$ 27,016,739	$ 24,843,798
Student tuition and fees	8,924,164			8,924,164	7,703,463
Grants and student aid:					
Federal	67,836	2,678,078		2,745,914	2,362,023
State	78,887	1,429,940		1,508,827	977,508
Private	2,509	108,434		110,943	155,883
State asset protection		161,556		161,556	
Auxiliary enterprise		2,796,565		2,796,565	2,374,214
Investment income	162,332	84,025	33,417	279,774	242,609
Other sources	744,697			744,697	835,868
Total revenues	36,997,164	7,258,598	33,417	44,289,179	39,495,366
Expenditures:					
Personnel services	28,873,438	381,281		29,254,719	26,518,125
Operating:					
Cost of sales		1,991,170		1,991,170	1,695,378
Out of state travel	47,937			47,937	48,585
Repairs	586,533			586,533	684,963
Utilities	1,212,197	24,136		1,236,333	1,253,351
Other	2,938,601	116,781		3,055,382	2,992,627
Sponsored programs		2,071,760		2,071,760	1,501,645
Student aid	544,361	2,149,323		2,693,684	2,436,470
Capital	1,607,272	176,703		1,783,975	908,048
Debt service:					
College obligations			177,304	177,304	175,741
State obligations	1,456,867			1,456,867	1,583,999
Total expenditures	37,267,206	6,911,154	177,304	44,355,664	39,798,932
Excess (deficiency) of revenues over expenditures	(270,042)	347,444	(143,887)	(66,485)	(303,566)
Other financing sources (uses):					
Operating transfers in:					
Mandatory			177,304	177,304	175,741
Board of Governors for Higher Education					122,500
Operating transfers out:					
Mandatory		(177,304)		(177,304)	(175,741)
Total other financing sources (uses)		(177,304)	177,304		122,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(270,042)	170,140	33,417	(66,485)	(181,066)
Fund balances, July 1	242,804	1,103,090	389,759	1,735,653	1,916,719
Fund balances, June 30 (Exhibit C-10)	$ (27,238)	$ 1,273,230	$ 423,176	$ 1,669,168	$ 1,735,653

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit C-12

COMMUNITY COLLEGE OF RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND ENCUMBRANCES
BUDGET AND ACTUAL - GENERAL EDUCATIONAL FUND

For the Fiscal Year Ended June 30, 1989

	Budget			Variance	
	Executive/ legislative as enacted	Board of Governors for Higher Education final allocation	Actual	Executive/ legislative favorable** (unfavorable)	Board of Governors favorable** (unfavorable)
Revenues:					
State appropriations	$ 26,389,110	$ 27,167,739	$ 27,016,739	$ 627,629	$ (151,000)
Student tuition and fees	7,684,284	8,724,882	8,924,164	1,239,880	199,282
Indirect costs recovered:					
Grants and contracts	93,100	136,200	149,232	56,132	13,032
Auxiliary enterprises	69,337	69,337	69,337		
Other sources	764,500	853,938	837,692	73,192	(16,246)
Total revenues	35,000,331	36,952,096	36,997,164	1,996,833	45,068
Expenditures and encumbrances:					
Personnel services	26,654,442	28,696,063	28,834,538 *	(2,180,096)	(138,475)
Operating:					
Out of state travel	61,597	55,597	47,937	13,660	7,660
Repairs	878,632	630,402	613,523 *	265,109	16,879
Utilities	1,357,671	1,221,726	1,212,197	145,474	9,529
Other	3,044,454	2,881,785	2,854,579 *	189,875	27,206
Workers' compensation	25,000	50,000	59,054	(34,054)	(9,054)
Total operating	5,367,354	4,839,510	4,787,290	580,064	52,220
Student aid	639,450	639,450	544,361	95,089	95,089
Capital	882,218	1,320,206	1,374,108 *	(491,890)	(53,902)
Debt service, state obligations	1,456,867	1,456,867	1,456,867		
Total expenditures and encumbrances	35,000,331	36,952,096	36,997,164	(1,996,833)	(45,068)
Excess of revenues over expenditures and encumbrances	$	$	$	$	$

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* Includes year end encumbrances.

** A favorable variance indicates that actual revenues are greater than budget or actual expenditures and encumbrances are less than budget. An unfavorable variance indicates that actual revenues are less than budget or actual expenditures and encumbrances are greater than budget.

FINANCIAL SECTION

Exhibit/ Schedule

CAPITAL PROJECTS FUNDS:

Balance Sheets D-1

Statement of Revenues, Expenditures, and Changes in Fund Balances D-2

CAPITAL PROJECTS FUNDS

(Exhibits D-1 and D-2)

The Bond Capital Fund was created, pursuant to Section 42-10-12 of the General Laws, by the consolidation into a single fund of all separate capital project bond funds in existence on July 1, 1977. Subsequently, the Agricultural Land Preservation Fund and the R.I. Clean Water Act Environmental Trust Fund were established by Sections 42-82-8 and 46-12-24.2, respectively, of the General Laws.

The purpose of the Capital Projects Funds is to account for the proceeds from general obligation bonds, federal grants and lease participation certificates expended for the acquisition or construction of capital assets, except for those accounted for in the Highway Fund and Proprietary Funds.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit D-1

CAPITAL PROJECTS FUNDS
BALANCE SHEETS

June 30, 1989 and 1988

	R.I. Clean Water Act Environmental Trust Fund	Agricultural Land Preservation Fund	Bond Capital Fund	Totals	
				1989	1988
Assets					
Cash	$ 271,577	$ 14,569	$	$ 286,146	$ 90,992
Investments, at cost	1,560,000	75,000	53,775,000	55,410,000	54,190,000
Fines and penalties receivable	82,000			82,000	
Due from federal government			2,889,215	2,889,215	5,468,016
Total assets	$ 1,913,577	$ 89,569	$ 56,664,215	$ 58,667,361	$ 59,749,008
Liabilities and Fund Balances					
Liabilities:					
Cash overdraft	$	$	$ 9,801.683	$ 9,801,683	$ 5,770,621
Vouchers and accounts payable	2,177,611		4,356,619	6,534,230	7,322,892
Advance from general fund	650,000		12,000,000	12,650,000	4,400,000
Due to highway fund			49,560	49,560	54,643
Due to capital center project fund					272
Due to R.I. Port Authority and Economic Development Corporation			220,997	220,997	
Total liabilities	2,827,611		26,428,859	29,256,470	17.548,428
Fund balances:					
Reserved for encumbrances	338,028	15,015	79,444,741	79,797,784	69,832,156
Unreserved:					
Designated for incomplete projects		74,554		74,554	94,422
Undesignated	(1,252,062)		(49,209,385)	(50,461,447)	(27,725,998)
Total fund balances (Exhibit D-2)	(914,034)	89,569	30,235,356	29,410,891	42,200,580
Total liabilities and fund balances	$ 1,913,577	$ 89,569	$ 56,664,215	$ 58,667,361	$ 59,749,008

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit D-2

CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	R.I. Clean Water Act Environmental Trust Fund	Agricultural Land Preservation Fund	Bond Capital Fund	Master Lease Program	Totals	
					1989	1988
Revenues:						
Federal grants	$	$	$ 3,231,288	$	$ 3,231,288	$ 15,810,472
Income from investments	87,539	4,130	220,997		312,666	18,845
Fines and penalties	166,300				166,300	54,910
Total revenues	253,839	4,130	3,452,285		3,710,254	15,884,227
Expenditures:						
Individual and family development			21,072,665		21,072,665	20,226,316
Economic development	8,287,478	12,966	20,421,392		28,721,836	11,837,397
Public safety			508,707		508,707	218,566
Transportation			5,682,715		5,682,715	21,279,303
Comprehensive support			3,504,773		3,504,773	138,292
Capital outlays - master lease program				1,950,844	1,950,844	9,047,926
Total expenditures	8,287,478	12,966	51,190,252	1,950,844	61,441,540	62,747,800
Excess (deficiency) of revenues over expenditures	(8,033,639)	(8,836)	(47,737,967)	(1,950,844)	(57,731,286)	(46,863,573)
Other financing sources (uses):						
Bonds and notes issued	12,530,699		123,337,655		135,868,354	119,110,000
Proceeds of loan from R.I. Refunding Bond Authority						19,722,299
Debt service		(206,900)			(206,900)	(219,100)
Redemption of bond anticipation notes	(5,500,000)		(54,088,694)		(59,588,694)	
Lease participation certificates issued				1,950,844	1,950,844	9,047,926
Transfers from general fund		202,770			202,770	206,794
Transfers to highway fund			(33,061,000)		(33,061,000)	(38,467,075)
Transfers to capital center project fund			(2,780)		(2,780)	(12,209)
Transfer to R.I. Port Authority and Economic Development Corporation			(220,997)		(220,997)	
Transfer to escrow holder						(19,722,299)
Total other financing sources (uses)	7,030,699	(4,130)	35,964,184	1,950,844	44,941,597	89,666,336
Increase (decrease) in fund balances	(1,002,940)	(12,966)	(11,773,783)		(12,789,689)	42,802,763
Fund balances, July 1	88,906	102,535	42,009,139		42,200,580	(602,183)
Fund balances, June 30 (Exhibit D-1)	$ (914,034)	$ 89,569	$ 30,235,356	$	$ 29,410,891	$ 42,200,580

FINANCIAL SECTION

PROPRIETARY FUND TYPES

ENTERPRISE FUNDS:	Exhibit/ Schedule
Combining Balance Sheets	E-1
Combining Statement of Revenues, Expenses, and Changes in Fund Equity	E-2
Combining Statement of Changes in Financial Position	E-3

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-1

COMBINING BALANCE SHEETS
ALL ENTERPRISE FUNDS

June 30, 1989

	Blackstone Valley District Commission	Industrial-Recreational Building Mortgage Insurance	Water Development	State Lottery	R.I. Higher Education Assistance Authority	Narragansett Bay Water Quality Management District Commission	Totals	
Assets							June 30, 1989	June 30, 1988
Cash (Exhibit E-3)	$ 1,515,032	$ 103,390	$ 12,284	$ 242,683	$ 376,212	$ 368,601	$ 2,618,202	$ 2,059,498
Cash with fiscal agent	797,440						797,440	
Investments	6,505,000	3,200,000	1,520,000	18,722,453	2,411,284	7,810,000	40,168,737	47,990,057
Receivables:								
Accounts	3,114,806		47,034	1,123,760	1,013,971	5,218,367	10,517,938	9,310,537
Accrued interest	6,608	24,096		21,075	35,928	2,375	90,082	320,998
Loans		577,206			2,520,497		3,097,703	3,243,544
Due from other governments	229,592				2,954,217	2,095,963	5,279,772	3,062,157
Due from other funds					121,670	790,479	912,149	615,300
Inventories	29,728			123,420			153,148	295,306
Prepaid expenses	19,547			129,527	28,194	77,885	255,153	283,241
Other	276,651				334,058	196,908	807,617	596,362
Land	476,749					1,254,400	1,731,149	1,731,149
Fixed assets	47,948,435	7,658		1,903,782	3,501,349	13,462,220	66,823,444	58,439,108
Accumulated depreciation	(17,883,089)	(3,634)		(811,653)	(1,358,429)	(9,904,350)	(29,961,155)	(27,516,234)
Construction in progress	7,243,475					76,038,161	83,281,636	70,283,994
Total assets	$ 50,279,974	$ 3,908,716	$ 1,579,318	$21,455,047	$ 11,938,951	$ 97,411,009	$186,573,015	$170,715,017
Liabilities and Fund Equity								
Liabilities:								
Cash overdraft	$	$	$	$	$	$ 1,660,201	$ 1,660,201	$ 2,278,252
Vouchers and accounts payable	1,104,270	2,546	49,467	579,408	44,558	4,404,805	6,185,054	3,915,248
Accrued liabilities	244,226	2,953		13,300		582,858	843,337	1,127,874
Due to general fund	55,077			3,725,066		3,219,979	7,000,122	5,193,811
Due to federal government	167,343				664,496	81,354	913,193	334,709
Deferred revenue		965		227,294	26,467		254,726	335,685
Notes payable					1,209,383	908,105	2,117,488	1,846,971
Revenue bonds payable	17,610,000					7,580,000	25,190,000	26,375,000
Loans payable						7,751,849	7,751,849	8,520,512
Long-term lease obligation payable						150,838	150,838	
Other liabilities		6,473		15,932,215	230,132	67,292	16,236,112	14,847,161
Total liabilities	19,180,916	12,937	49,467	20,477,283	2,175,036	26,407,281	68,302,920	64,780,223
Fund equity:								
Contributions for construction	29,090,121					75,044,527	104,134,648	93,103,858
Retained earnings (deficit) (Exhibit E-2)	2,008,937	3,895,779	1,529,851	977,764	9,763,915	(4,040,799)	14,135,447	12,830,936
Total fund equity	31,099,058	3,895,779	1,529,851	977,764	9,763,915	71,003,728	118,270,095	105,934,794
Total liabilities and fund equity	$ 50,279,974	$ 3,908,716	$ 1,579,318	$21,455,047	$ 11,938,951	$ 97,411,009	$186,573,015	$170,715,017

* Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-2

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1989

	Blackstone Valley District Commission	Industrial-Recreational Building Mortgage Insurance	Water Development	State Lottery	R.I. Higher Education Assistance Authority	Narragansett Bay Water Quality Management District Commission	Totals Year Ended	
							June 30, 1989	June 30, 1988*
Revenues:								
Sales	$	$	$	$ 54,506,874	$	$	$ 54,506,874	$ 54,880,998
Sewer assessments	7,598,928					12,213,924	19,812,852	18,763,438
Guarantee fees		99,066			403,971		503,037	505,915
Intergovernmental revenues:								
State					10,730,310		10,730,310	9,750,698
Federal grants					803,425		803,425	814,218
Lease and sale of property			222,183				222,183	240,460
Interest and penalties	947,314	319,967	7,043	972,669	383,336	663,533	3,293,862	2,229,117
Contributions					20,046		20,046	29,256
Miscellaneous	2,104		3	3,163	134,357	3,302	142,929	129,524
Recoveries of default payments					812,878		812,878	695,866
Rental income				24,000	147,844		171,844	154,528
Total revenues	8,548,346	419,033	229,229	55,506,706	13,436,167	12,880,759	91,020,240	88,194,018
Expenses:								
Supplies, materials, and services	5,539,322	130,030	168,145	2,781,304	2,514,951	8,941,542	20,075,294	18,901,708
Grant, scholarships and contract programs					10,203,096		10,203,096	9,379,266
Prize awards				28,885,413			28,885,413	30,712,393
Other	152,183				59,950	852,981	1,065,114	450,493
Interest on bonds and notes	1,243,373				82,573	1,453,204	2,779,150	1,967,096
Depreciation and amortization	884,279			115,112	273,248	1,212,307	2,484,946	3,072,504
Total expenses	7,819,157	130,030	168,145	31,781,829	13,133,818	12,460,034	65,493,013	64,483,460
Excess of revenues over expenses	729,189	289,003	61,084	23,724,877	302,349	420,725	25,527,227	23,710,558
Other changes in fund equity:								
Interfund transfers				(23,799,541)	(272,925)		(24,072,466)	(22,340,398)
Increase in contributed capital	2,258,194					8,795,201	11,053,395	17,837,983
Loss on extinguishment of debt								(30,000)
Net increase (decrease) in fund equity	2,987,383	289,003	61,084	(74,664)	29,424	9,215,926	12,508,156	19,178,143
Fund equity, July 1	28,111,675	3,606,776	1,468,767	1,052,428	9,734,491	61,960,657	105,934,794	86,725,453
Prior period adjustment						(172,855)	(172,855)	31,198
Fund equity, July 1 restated	28,111,675	3,606,776	1,468,767	1,052,428	9,734,491	61,787,802	105,761,939	86,756,651
Fund equity, June 30 (Exhibit E-1)	$ 31,099,058	$ 3,895,779	$ 1,529,851	$ 977,764	$ 9,763,915	$ 71,003,728	$ 118,270,095	$ 105,934,794

* Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit E-3

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 1989

Sources of financial resources:	Blackstone Valley District Commission	Industrial-Recreational Building Mortgage Insurance	Water Development	State Lottery	R.I. Higher Education Assistance Authority	Narragansett Bay Water Quality Management District Commission	Totals Year Ended June 30, 1989	Totals Year Ended June 30, 1988
Operations:								
Sales	$ 7,294,480	$	$	$ 54,491,058	$ 807,290	$ 11,414,250	$ 74,007,078	$ 74,325,034
Collection of mortgage insurance premiums		94,002					94,002	120,978
Federal grants					457,279		457,279	459,130
Lease and sale of property			177,572				177,572	229,980
Recoveries on guaranteed loans					1,207,475		1,207,475	1,811,139
Total sources from operations	7,294,480	94,002	177,572	54,491,058	2,472,044	11,414,250	75,943,406	76,946,261
Other sources:								
Proceeds on bonds issued								18,845,000
Proceeds from advance refunding bonds								270,000
Proceeds on notes issued					329,717		329,717	374,240
Proceeds from sale of investments	112,172,000	20,280,000	8,290,000	14,186,345	2,217,851	3,590,000	160,736,196	271,771,828
Collections of loans and mortgages		32,977	355,175		111,192		499,344	216,702
Transfers from general fund	1,000,000				10,730,310		11,730,310	11,750,698
Investment earnings and other income	1,205,821	307,771	114,796	952,201	408,412	669,586	3,658,587	1,922,506
Contributed capital:								
Federal	2,424,600					7,112,400	9,537,000	10,344,883
State	661,308					1,244,372	1,905,680	6,413,967
Increase in cash overdraft								2,066,963
Other		6,473			23,686		30,159	
Total sources of financial resources	124,758,209	20,721,223	8,937,543	69,629,604	16,293,212	24,030,608	264,370,399	400,923,048
Uses of financial resources:								
Operations:								
Supplies, materials, and services	5,352,563	137,459	170,215	29,939,872	2,512,353	7,461,091	45,573,553	49,243,135
Grants, scholarships, and contract programs					10,379,851		10,379,851	9,571,296
Refund of receipts	29,003						29,003	11,890
Total uses for operations	5,381,566	137,459	170,215	29,939,872	12,892,204	7,461,091	55,982,407	58,826,321
Other uses:								
Loans issued					236,468		236,468	656,982
Return of advance from general fund	1,000,000				272,925		1,272,925	2,040,000
Payment of debt service	2,004,885				26,713	2,980,445	5,012,043	2,360,290
Payment to escrow holder and cost of issuance	3,052				24,210		27,262	616,631
Purchase of investments	105,983,000	20,565,000	8,695,000	17,649,902			152,892,902	295,933,971
Interfund transfers			105,279	22,053,703			22,158,982	22,788,680
Funds deposited with fiscal agent for retirement of long-term debt	797,440						797,440	
Purchase of fixed assets	9,087,209	4,829		44,695	3,504	12,215,993	21,356,230	17,395,503
Increase in other assets						196,908	196,908	
Decrease in other liabilities					2,785,156	1,076,372	3,861,528	
Other	2,567				14,033		16,600	
Total uses of financial resources	124,259,719	20,707,288	8,970,494	69,688,172	16,255,213	23,930,809	263,811,695	400,618,378
Increase (decrease) in cash	498,490	13,935	(32,951)	(58,568)	37,999	99,799	558,704	304,670
Cash, July 1	1,016,542	89,455	45,235	301,251	338,213	268,802	2,059,498	1,754,828
Cash, June 30 (Exhibit E-1)	$ 1,515,032	$ 103,390	$ 12,284	$ 242,683	$ 376,212	$ 368,601	$ 2,618,202	$ 2,059,498

FINANCIAL SECTION

PROPRIETARY FUND TYPES

Exhibit/
Schedule

INTERNAL SERVICE FUNDS:

Combining Balance Sheets F-1

Combining Statement of Revenues, Expenses, and Changes in Fund Equity F-2

Combining Statement of Changes in Financial Position F-3

Exhibit F-1-1

COMBINING BALANCE SHEETS
ALL INTERNAL SERVICE FUNDS

June 30, 1989

Assets	State Planning Services	Workers' Compensation	Rhode Island Industrial Homework	Central Utilities	Central Services	General Services	Correctional Industries
Cash (Exhibit F-3)	$ 459,658	$ 975,200	$ 1,126	$ 1,080,100	$ 1,372,514	$ 463,040	$ 313,221
Imprest cash			1,500		50		
Accounts receivable (net)	11,227	362,697		1,579,056	90,632	166,261	141,361
Due from general fund							
Inventories, at cost					54,014	436,125	247,130
Prepaid expenses							
Fixed assets					2,738,771	4,264,554	23,070
Accumulated depreciation					(1,686,255)	(156,067)	
Total assets	$ 470,885	$ 1,337,897	$ 2,626	$ 2,659,156	$ 2,569,726	$ 5,173,913	$ 724,782
Liabilities and Fund Equity							
Liabilities:							
Advance from general fund - working capital	$ 350,000	$ 1,000,000	$ 2,500	$ 100,000	$ 1,250,000	$ 650,000	$ 500,000
Accounts and vouchers payable	32,890	295,616		2,553,934	166,742	247,285	87,383
Obligations under capital leases					1,062,516	4,018,887	23,070
Accrued expenses	72,300	33,872		9,257	171,272	18,781	13,291
Total liabilities	455,190	1,329,488	2,500	2,663,191	2,640,530	4,934,953	623,744
Fund equity:							
Equity in fixed assets							
Reserved for program extension - federal food commodities						67,486	
Reserved for purchase and/or replacement of motor vehicles							
Reserved for expansion, development and capital purchases							83,430
Retained earnings (deficit)	15,695	8,409	126	(4,035)	(70,804)	171,474	17,608
Total fund equity (Exhibit F-2)	15,695	8,409	126	(4,035)	(70,804)	238,960	101,038
Total liabilities and fund equity	$ 470,885	$ 1,337,897	$ 2,626	$ 2,659,156	$ 2,569,726	$ 5,173,913	$ 724,782

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-1-2

COMBINING BALANCE SHEETS
ALL INTERNAL SERVICE FUNDS

June 30, 1989

	Special Facilities				Automotive	Equipment	Totals	
Assets	Central Pharmacy	Food Processing	Central Laundry	Forand Building Cafeteria	Maintenance	Equipment	June 30, 1989	June 30, 1988*
Cash (Exhibit F-3)	$ 530,616	$ 396,642	$ 117,852	$ 12,063	$ 753,640	$ 110,138	$ 6,585,810	$ 7,109,667
Imprest cash							1,550	1,550
Accounts receivable (net)		1,757			6,442		2,359,433	1,329,481
Due from general fund						905,023	905,023	885,727
Inventories, at cost	268,571	311,572	270,791	4,375	160,193		1,752,771	1,581,759
Prepaid expenses								189
Fixed assets					1,076,095	9,203,056	17,305,546	11,150,873
Accumulated depreciation					(384,644)	(4,888,609)	(7,115,575)	(4,406,772)
Total assets	$ 799,187	$ 709,971	$ 388,643	$ 16,438	$ 1,611,726	$ 5,329,608	$ 21,794,558	$ 17,652,474
Liabilities and Fund Equity								
Liabilities:								
Advance from general fund - working capital	$ 350,000	$ 475,000	$ 325,000	$ 5,000	$ 300,000	$	$ 5,307,500	$ 4,732,500
Accounts and vouchers payable	331,050	221,331	20,013	1,689	532,091	91,065	4,581,089	4,603,983
Obligations under capital leases					691,451	311,134	6,097,058	3,363,787
Accrued expenses	7,431	27,673	24,479		16,391		394,747	285,235
Total liabilities	688,481	724,004	369,492	6,689	1,539,933	402,199	16,380,394	12,985,505
Fund equity:								
Equity in fixed assets						4,003,312	4,003,312	3,380,314
Reserved for program extension federal food commodities							67,486	174,998
Reserved for purchase and/or replacement of motor vehicles						924,097	924,097	793,131
Reserved for expansion, development and capital purchases							83,430	65,821
Retained earnings (deficit)	110,706	(14,033)	19,151	9,749	71,793		335,839	252,705
Total fund equity (Exhibit F-2)	110,706	(14,033)	19,151	9,749	71,793	4,927,409	5,414,164	4,666,969
Total liabilities and fund equity	$ 799,187	$ 709,971	$ 388,643	$ 16,438	$ 1,611,726	$ 5,329,608	$ 21,794,558	$ 17,652,474

* Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-2-1

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1989

	State Planning Services	Workers' Compensation	Rhode Island Industrial Homework	Central Utilities	Central Services	General Services	Correctional Industries
Operating revenues:							
Sale of materials, supplies, and services	$ 2,372,138	$ 20,384,556	$	$ 12,164,891	$ 9,993,663	$ 7,753,645	$ 1,410,639
Passenger car replacement charges							
Investment income							
Total operating revenue	2,372,138	20,384,556		12,164,891	9,993,663	7,753,645	1,410,639
Operating expenses:							
Cost of materials used:							
Inventory, July 1					44,661	456,118	184,072
Net purchases		19,046,900		11,875,064	1,965,620	7,000,460	795,369
Total		19,046,900		11,875,064	2,010,281	7,456,578	979,441
Inventory, June 30					54,014	436,125	247,130
Total cost of materials used		19,046,900		11,875,064	1,956,267	7,020,453	732,311
Other operating expenses:							
Personal services	1,554,118	943,254		202,158	3,718,678	444,694	295,672
Employee benefit programs	421,999	182,924		73,271	1,147,705	139,547	99,641
Supplies and services	396,862	203,069		23,432	2,427,523	456,747	247,798
Depreciation					861,795	156,067	
Total operating expenses	2,372,979	20,376,147		12,173,925	10,111,968	8,217,508	1,375,422
Net operating income (loss)	(841)	8,409		(9,034)	(118,305)	(463,863)	35,217
Other changes in fund equity:							
Increase in fixed assets							
Deficit reimbursement (earnings transfer) - general fund		8,514		(44,861)	(179,063)	90,798	50,482
Transfers from general fund						527,825	
Net increase (decrease) in fund equity	(841)	16,923		(53,895)	(297,368)	154,760	85,699
Fund equity (deficit), July 1	16,536	(8,514)	126	49,860	226,564	84,200	15,339
Fund equity (deficit), June 30 (Exhibit F-1)	$ 15,695	$ 8,409	$ 126	$ (4,035)	$ (70,804)	$ 238,960	$ 101,038

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-2-2

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1989

	Special Facilities				Automotive Equipment		Totals	
							Year Ended	
	Central Pharmacy	Food Processing	Central Laundry	Forand Building Cafeteria	Maintenance	Equipment	June 30, 1989	June 30, 1988*
Operating revenues:								
Sale of materials, supplies, and services	$ 2,837,600	$ 3,627,584	$ 1,339,486	$ 65,156	$8,213,001	$	$ 70,162,359	$ 62,501,250
Passenger car replacement charges						1,155,026	1,155,026	557,329
Investment income						9,487	9,487	18,811
Total operating revenue	2,837,600	3,627,584	1,339,486	65,156	8,213,001	1,164,513	71,326,872	63,077,390
Operating expenses:								
Cost of materials used:								
Inventory, July 1	209,306	348,721	182,096	3,572	153,213		1,581,759	1,717,995
Net purchases	2,538,608	2,645,283	354,389	53,248	7,316,688		53,591,629	47,888,466
Total	2,747,914	2,994,004	536,485	56,820	7,469,901		55,173,388	49,606,461
Inventory, June 30	268,571	311,572	270,791	4,375	160,193		1,752,771	1,581,759
Total cost of materials used	2,479,343	2,682,432	265,694	52,445	7,309,708		53,420,617	48,024,702
Other operating expenses:								
Personal services	165,563	573,374	598,491		352,991		8,848,993	7,228,430
Employee benefit programs	54,155	182,867	203,484		119,005		2,624,598	2,252,319
Supplies and services	40,333	213,763	265,166	3,212	23,655	824,324	5,125,884	4,620,801
Depreciation					339,557	209,223	1,566,642	976,859
Total operating expenses	2,739,394	3,652,436	1,332,835	55,657	8,144,916	1,033,547	71,586,734	63,103,101
Net operating income (loss)	98,206	(24,852)	6,651	9,499	68,085	130,966	(259,862)	(25,711)
Other changes in fund equity:								
Increase in fixed assets						622,998	622,998	313,457
Deficit reimbursement (earnings transfer) - general fund	(50,017)		(5,491)	(14,128)			(143,766)	(185,979)
Transfers from general fund							527,825	
Net increase (decrease) in fund equity	48,189	(24,852)	1,160	(4,629)	68,085	753,964	747,195	101,767
Fund equity (deficit), July 1	62,517	10,819	17,991	14,378	3,708	4,173,445	4,666,969	4,565,202
Fund equity (deficit), June 30 (Exhibit F-1)	$ 110,706	$ (14,033)	$ 19,151	$ 9,749	$ 71,793	$ 4,927,409	$ 5,414,164	$ 4,666,969

* Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-3-1

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1989

Sources of Financial Resources:	State Planning Services	Workers' Compensation	Rhode Island Industrial Homework	Central Utilities	Central Services	General Services
Operations:						
Sale of materials, supplies, and services	$ 2,371,103	$ 20,068,826	$	$ 11,397,382	$ 10,230,711	$ 7,607,640
Transfers from general fund						527,825
Miscellaneous receipts		5,907			9	4,610
Refund of expenditures	8,254	9,137		1,607	59,779	8,864
Total sources from operations	2,379,357	20,081,870		11,398,989	10,290,499	8,148,939
Other sources:						
Advances from general fund					300,000	
Deficit reimbursed by general fund		8,514				90,798
Investment earnings						
Investments sold and matured						
Total sources of financial resources	2,379,357	20,092,384		11,398,989	10,590,499	8,239,737
Uses of financial resources:						
Operations:						
Personal services and employee benefit programs	1,956,876	1,087,900		271,884	4,780,443	579,410
Supplies, materials, and services	403,866	19,313,199		11,697,599	5,349,481	7,787,218
Purchase and/or replacement of motor vehicles						
Refund of receipts					34,718	
Total uses for operations	2,360,742	20,401,099		11,971,483	10,164,642	8,366,628
Other uses:						
Transfers to general fund				44,861	179,064	
Investments purchased						
Total uses of financial resources	2,360,742	20,401,099		12,016,344	10,343,706	8,366,628
Increase (decrease) in cash	18,615	(308,715)		(617,355)	246,793	(126,891)
Cash, July 1	441,043	1,283,915	1,126	1,697,455	1,125,721	589,931
Cash, June 30 (Exhibit F-1)	$ 459,658	$ 975,200	$ 1,126	$ 1,080,100	$ 1,372,514	$ 463,040

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit F-3-2

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 1989

		Automotive	Equipment		Totals	
					Year	Ended
Sources of Financial Resources:	Special Facilities	Maintenance	Equipment	Correctional Industries	June 30, 1989	June 30, 1988
Operations:						
Sale of materials, supplies, and services	$ 7,883,139	$ 8,217,753	$	$ 1,395,018	$ 69,171,572	$ 62,125,393
Transfers from general fund			1,135,730		1,663,555	328,343
Miscellaneous receipts	197	3,482		15	14,220	18,044
Refund of expenditures	33,790	17,515		23,452	162,398	98,545
Total sources from operations	7,917,126	8,238,750	1,135,730	1,418,485	71,011,745	62,570,325
Other sources:						
Advances from general fund	175,000			100,000	575,000	600,000
Deficit reimbursed by general fund				50,482	149,794	89,486
Investment earnings			9,486		9,486	18,811
Investments sold and matured			6,000,000		6,000,000	9,800,000
Total sources of financial resources	8,092,126	8,238,750	7,145,216	1,568,967	77,746,025	73,078,622
Uses of financial resources:						
Operations:						
Personal services and employee benefit programs	1,764,319	468,920		396,355	11,308,107	9,430,620
Supplies, materials, and services	6,267,427	7,674,635		1,059,306	59,552,731	52,308,571
Purchase and/or replacement of motor vehicles			1,080,765		1,080,765	658,988
Refund of receipts					34,718	769
Total uses for operations	8,031,746	8,143,555	1,080,765	1,455,661	71,976,321	62,398,948
Other uses:						
Transfers to general fund	69,636				293,561	325,466
Investments purchased			6,000,000		6,000,000	9,450,000
Total uses of financial resources	8,101,382	8,143,555	7,080,765	1,455,661	78,269,882	72,174,414
Increase (decrease) in cash	(9,256)	95,195	64,451	113,306	(523,857)	904,208
Cash, July 1	1,066,429	658,445	45,687	199,915	7,109,667	6,205,459
Cash, June 30 (Exhibit F-1)	$ 1,057,173	$ 753,640	$ 110,138	$ 313,221	$ 6,585,810	$ 7,109,667

FINANCIAL SECTION

Exhibit/
Schedule

TRUST AND AGENCY FUNDS:

Combining Balance Sheets G-1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances G-2

Retirement Funds

Combining Balance Sheets G-3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances G-4

Other Trust and Agency Funds

Combining Balance Sheets G-5

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) G-6

Custodial Funds - State Institutions

Balance Sheets G-7

Statement of Revenues, Expenditures, and Changes in Fund Balances G-8

Statement of Imprest Cash Funds G-9

Payroll and Pension Clearing Fund

Balance Sheets G-10

Statement of Revenues, Expenditures, and Changes in Fund Balances G-11

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-1

COMBINING BALANCE SHEETS
ALL TRUST AND AGENCY FUNDS

June 30, 1989

	Retirement (G-3)	Other (G-5)	Custodial Funds - State Institutions (G-7)	Payroll and Pension Clearing (G-10)	Totals June 30, 1989	Totals June 30, 1988*
Assets						
Cash	$ 119,033	$ 552,860	$ 299,730	$	$ 971,623	$ 7,586,275
Imprest cash			225,290		225,290	165,290
Investments	1,915,797,543	3,142,848	1,675,000	8,000,000	1,928,615,391	1,593,007,933
Accounts receivable		105,759			105,759	120,830
Due from general fund	10,265,020				10,265,020	9,458,506
Deferred compensation held by insurance companies				44,609,631	44,609,631	38,118,128
Total assets	$ 1,926,181,596	$ 3,801,467	$ 2,200,020	$ 52,609,631	$ 1,984,792,714	$ 1,648,456,962
Liabilities and Fund Balances						
Liabilities:						
Cash overdraft	$ 276,019	$	$	$ 3,089,075	$ 3,365,094	$
Vouchers and accounts payable	221,496	273,486	101,987	2,434,325	3,031,294	1,538,485
Accrued payroll and fringe benefits		6,965			6,965	6,059
Due to other governments and agencies				752,018	752,018	1,544,213
State employees - deferred compensation program				44,609,631	44,609,631	38,118,128
Other liabilities			1,759,387	1,437,926	3,197,313	5,880,960
Total liabilities	497,515	280,451	1,861,374	52,322,975	54,962,315	49,087,845
Fund balances:						
Reserved for encumbrances			21,072		21,072	38,251
Reserved for pension benefits	1,925,684,081				1,925,684,081	1,595,651,233
Other reserves				286,656	286,656	304,412
Unreserved		3,521,016	317,574		3,838,590	3,375,221
Total fund balances (Exhibit G-2)	1,925,684,081	3,521,016	338,646	286,656	1,929,830,399	1,599,369,117
Total liabilities and fund balances	$ 1,926,181,596	$ 3,801,467	$ 2,200,020	$ 52,609,631	$ 1,984,792,714	$ 1,648,456,962

*Restated.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL TRUST AND AGENCY FUNDS

For the Fiscal Year Ended June 30, 1989

	Retirement (G-4)	Other (G-6)	Custodial (G-8)	Payroll and Pension Clearing (G-11)	Totals	
					Years Ended	
					June 30, 1989	June 30, 1988*
Revenues:						
Licenses, fees, sales and services	$	$ 446,504	$ 1,191,616	$	$ 1,638,120	$ 1,317,337
Fines		1,065,679			1,065,679	850,100
Contributions	191,352,269		3,558		191,355,827	179,528,286
Federal grants		277,000			277,000	231,000
Income from investments	264,385,963	362,259	28,105	769,121	265,545,448	164,639,490
Interest	969,646				969,646	1,573,712
Unclaimed property		3,925,587			3,925,587	3,317,027
Miscellaneous	10,547	69,050	123,767		203,364	126,614
Total revenues	456,718,425	6,146,079	1,347,046	769,121	464,980,671	351,583,566
Expenditures:						
Individual and family development	123,955,884	60,850	1,358,607		125,375,341	115,089,475
Comprehensive support	1,558,694				1,558,694	659,756
Miscellaneous	1,520	2,927,802		17,756	2,947,078	2,944,846
Total expenditures	125,516,098	2,988,652	1,358,607	17,756	129,881,113	118,694,077
Excess (deficiency) of revenues over expenditures	331,202,327	3,157,427	(11,561)	751,365	335,099,558	232,889,489
Other financing sources (uses):						
Interfund and intrafund transfers	(1,169,479)	(2,700,000)	324	(769,121)	(4,638,276)	(4,002,895)
Total other financing sources (uses)	(1,169,479)	(2,700,000)	324	(769,121)	(4,638,276)	(4,002,895)
Increase (decrease) in fund balances	330,032,848	457,427	(11,237)	(17,756)	330,461,282	228,886,594
Fund balances, July 1	1,595,651,233	3,063,589	349,883	304,412	1,599,369,117	1,370,482,523
Fund balances, June 30 (Exhibit G-1)	$ 1,925,684,081	$ 3,521,016	$ 338,646	$ 286,656	$ 1,929,830,399	$ 1,599,369,117

*Restated.

RETIREMENT TRUST AND AGENCY FUNDS
(Exhibits G-3 and G-4)

EMPLOYEES' RETIREMENT FUND

This fund is maintained for the purpose of financing the retirement system for state employees and public school teachers, which provides retirement, disability, and death benefit coverage. In the case of state employees, the system operates as a full supplement to Federal Social Security (Chapters 36-8, 9, 10 of the General Laws of Rhode Island).

The actuary is required to make an investigation into the mortality, service and compensation experience of the members of the retirement system, and to make a valuation of the assets and liabilities of the system. The State Retirement Board shall certify to the Director of Administration before December 15 in each year, rates of contribution payable by the State of Rhode Island for the next fiscal year. The contribution rates for 1989, 1990 and 1991 are as follows:

	Employer			Employee	
Fiscal	State Share For State Employees	State Share For Teachers	Community's Share For Teachers	State Employees	Teachers
1989	13.6%	10.15%	10.15%	7.5%	8.5%
1990	12.1%	7.05%	10.15%	7.5%	8.5%
1991	11.33%	6.26%	11.14%	7.5%	8.5%

A separate retirement program is maintained for faculty and certain administrative employees of the state university and colleges. This program is administered by the Teachers' Insurance and Annuity Association (TIAA) of New York.

For more information regarding the Employees' Retirement Fund, refer to Note 9 to the combined financial statements.

MUNICIPAL EMPLOYEES' RETIREMENT FUND

This fund is maintained for the purpose of financing the Municipal Retirement System in which participation is optional by municipalities. Fifty-eight municipalities and related entities are now in this system.

The method of financing the system, established by Chapter 45-21 of the General Laws, reflects a full-funded basis in accordance with the actuarial requirements. It consists of contributions by municipal employees of a fixed percent of compensation and matching contributory payments by participating municipalities. The system is directed and administered by the State Retirement Board. The state does not make contributions to the system. For more information regarding the Municipal Employees' Retirement Fund, refer to Note 9 to the combined financial statements.

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For further information concerning the financial operations of the retirement system for state employees and public school teachers, and the retirement system for municipal employees, reference should be made to the annual reports of the State Retirement Board covering each of these retirement systems.

Exhibit G-3

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING BALANCE SHEETS
RETIREMENT TRUST AND AGENCY FUNDS

June 30, 1989

	Employees' Retirement	Municipal Employees' Retirement	Totals	
Assets			June 30,1989	June 30,1988*
Cash	$	$ 119,033	$ 119,033	$ 5,902,978
Investments	1,686,449,463	229,348,080	1,915,797,543	1,581,745,085
Due from general fund	10,265,020		10,265,020	9,458,506
Total assets	$ 1,696,714,483	$ 229,467,113	$ 1,926,181,596	$ 1,597,106,569
Liabilities and Fund Balances				
Liabilities:				
Cash overdraft	$ 276,019	$	$ 276,019	$
Vouchers payable	188,049	33,447	221,496	71,276
Other liabilities				1,384,060
Total liabilities	464,068	33,447	497,515	1,455,336
Fund balances-reserved for pension benefits (Exhibit G-4)	1,696,250,415	229,433,666	1,925,684,081	1,595,651,233
Total liabilities and fund balances	$ 1,696,714,483	$ 229,467,113	$ 1,926,181,596	$ 1,597,106,569

* Restated

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-4

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES RETIREMENT TRUST AND AGENCY FUNDS

June 30, 1989

	Employees' Retirement	Municipal Employees' Retirement	Totals Year Ended June 30, 1989	Totals Year Ended June 30, 1988*
Revenues:				
Net contributions	$ 178,608,067	$ 12,744,202	$ 191,352,269	$ 179,514,544
Income from investments (net)	230,926,122	33,459,841	264,385,963	163,814,382
Interest on member purchases	883,677	85,969	969,646	1,573,712
Miscellaneous	8,948	1,599	10,547	3,503
Total revenues	410,426,814	46,291,611	456,718,425	344,906,141
Expenditures:				
Retirement benefits	113,842,308	10,113,576	123,955,884	113,982,260
Miscellaneous	1,520		1,520	2,000
Management and professional fees	1,318,398	240,296	1,558,694	659,756
Total expenditures	115,162,226	10,353,872	125,516,098	114,644,016
Excess of revenues over expenditures	295,264,588	35,937,739	331,202,327	230,262,125
Other financing uses:				
Interfund and intrafund transfers	(968,269)	(201,210)	(1,169,479)	(1,124,980)
Total other financing uses	(968,269)	(201,210)	(1,169,479)	(1,124,980)
Increase in fund balances	294,296,319	35,736,529	330,032,848	229,137,145
Fund balances, July 1	1,401,954,096	193,697,137	1,595,651,233	1,366,514,088
Fund balances, June 30 (Exhibit G-3)	$ 1,696,250,415	$ 229,433,666	$ 1,925,684,081	$ 1,595,651,233

* Restated

OTHER TRUST AND AGENCY FUNDS

(Exhibits G-5 and G-6)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-5

COMBINING BALANCE SHEETS
OTHER TRUST AND AGENCY FUNDS

June 30, 1989

	Unclaimed Property	Violent Crimes Indemnity	R.I. Veterans' Home	Real Estate Recovery	Permanent School	Touro Jewish Synagogue	Totals	
Assets							June 30, 1989	June 30, 1988
Cash	$ 228,484	$ 85,055	$ 80,015	$ 40,510	$ 105,580	$ 13,216	$ 552,860	$ 517,058
Investments			600,000	385,000	1,290,000	867,848	3,142,848	3,662,848
Accounts receivable		65,007	40,752				105,759	120,830
Total assets	$ 228,484	$ 150,062	$ 720,767	$ 425,510	$ 1,395,580	$ 881,064	$ 3,801,467	$ 4,300,736
Liabilities and Fund Balances								
Liabilities:								
Accrued payroll and fringe benefits	$ 6,965	$	$	$	$	$	$ 6,965	$ 6,059
Vouchers and accounts payable	43,338	210,010	6,489		13,649		273,486	1,231,088
Total liabilities	50,303	210,010	6,489		13,649		280,451	1,237,147
Fund balances (deficit) (Exhibit G-6)	178,181	(59,948)	714,278	425,510	1,381,931	881,064	3,521,016	3,063,589
Total liabilities and fund balances	$ 228,484	$ 150,062	$ 720,767	$ 425,510	$ 1,395,580	$ 881,064	$ 3,801,467	$ 4,300,736

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-6

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OTHER TRUST AND AGENCY FUNDS

For the Fiscal Year Ended June 30, 1989

	Unclaimed Property	Violent Crimes Indemnity	R.I. Veterans' Home	Real Estate Recovery	Permanent School	Touro Jewish Synagogue	Totals	
							June 30, 1989	June 30, 1988
Revenues:								
Fees, sales and services	$ 14,938	$	$ 404,256	$ 23,220	$ 4,090	$	$ 446,504	$ 427,732
Income from investments		77,125	70,553	28,770	107,435	78,376	362,259	274,659
Unclaimed property	3,925,587						3,925,587	3,317,027
Fines		1,065,679					1,065,679	850,100
Federal grants		277,000					277,000	231,000
Miscellaneous	13,977	1,175	53,898				69,050	35,267
Total revenues	3,954,502	1,420,979	528,707	51,990	111,525	78,376	6,146,079	5,135,785
Expenditures:								
Individual and family development					60,850		60,850	80,437
Miscellaneous	1,191,698	795,451	866,045			74,608	2,927,802	2,942,846
Total expenditures	1,191,698	795,451	866,045		60,850	74,608	2,988,652	3,023,283
Excess (deficiency) of revenues over expenditures	2,762,804	625,528	(337,338)	51,990	50,675	3,768	3,157,427	2,112,502
Other financing uses:								
Interfund transfers	(2,700,000)						(2,700,000)	(2,357,092)
Total other financing uses	(2,700,000)						(2,700,000)	(2,357,092)
Increase (decrease) in fund balances	62,804	625,528	(337,338)	51,990	50,675	3,768	457,427	(244,590)
Fund balances (deficit), July 1	115,377	(685,476)	1,051,616	373,520	1,331,256	877,296	3,063,589	3,308,179
Fund balances (deficit), June 30 (Exhibit G-5)	$ 178,181	$ (59,948)	$ 714,278	$ 425,510	$ 1,381,931	$ 881,064	$ 3,521,016	$ 3,063,589

CUSTODIAL FUNDS - STATE INSTITUTIONS
(Exhibits G-7, G-8, and G-9)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-7

CUSTODIAL FUNDS - STATE INSTITUTIONS
BALANCE SHEETS

June 30, 1989 and 1988

	1989	1988
Assets		
Cash	$ 299,730	$ 38,291
Imprest cash (Exhibit G-9)	225,290	165,290
Investments	1,675,000	1,800,000
Total assets	2,200,020	2,003,581
Liabilities and Fund Balances		
Liabilities:		
Vouchers and accounts payable	101,987	127,909
Custodial accounts	1,759,387	1,525,789
Total liabilities	1,861,374	1,653,698
Fund balances:		
Reserved for encumbrances	21,072	38,251
Unreserved	317,574	311,632
Total fund balances (Exhibit G-8)	338,646	349,883
Total liabilities and fund balances	$ 2,200,020	$ 2,003,581

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-8

CUSTODIAL FUNDS - STATE INSTITUTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Income from investments	$ 28,105	$ 27,230
Sales and services - stores	1,191,616	889,605
Donations - benefits	3,558	13,742
Miscellaneous income - benefits	123,767	83,959
Total revenues	1,347,046	1,014,536
Expenditures:		
Stores	1,009,415	743,226
Benefits paid	349,192	283,552
Total expenditures	1,358,607	1,026,778
Excess (deficiency) of revenues over expenditures	(11,561)	(12,242)
Other financing sources:		
Interfund and intrafund transfers	324	2,396
Total other financing sources	324	2,396
Decrease in fund balances	(11,237)	(9,846)
Fund balances, July 1	349,883	359,729
Fund balances, June 30 (Exhibit G-7)	$ 338,646	$ 349,883

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-9

CUSTODIAL FUNDS - STATE INSTITUTIONS
STATEMENT OF IMPREST CASH FUNDS

June 30, 1989

GENERAL HOSPITAL	
Patients' accounts	$ 25,000
INSTITUTE OF MENTAL HEALTH	
Patients' accounts	25,000
Patients' benefits	5,000
ADULT CORRECTIONAL INSTITUTION	
Inmates' accounts	120,000
Inmates' benefits	1,000
ZAMBARANO MEMORIAL HOSPITAL	
Patients' accounts	7,500
Patients' benefits	1,000
R. I. TRAINING SCHOOL FOR BOYS	
Trainees' accounts	700
Trainees' benefits	500
R. I. VETERANS' HOME	
Residents' benefits	2,000
DR. JOSEPH H. LADD SCHOOL	
Wards' accounts	35,000
Stores	90
Wards' benefits	2,500
Total imprest cash (Exhibit G-7)	$ 225,290

PAYROLL AND PENSION CLEARING FUND

(Exhibits G-10 and G-11)

This fund provides the facility of a single account for processing state employees' salaries, pensions, and their mandatory and voluntary deductions. It also processes the State's share of employee benefits. Cash is transferred from various funds of the state to this clearing account on every payday based on each funds' payroll or pension liability.

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is administered by the Department of Administration pursuant to General Law 36-13-7. The Department of Administration contracts with private corporations to provide investment products related to the management of the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Compensation deferred under the plan, and held by insurance companies, is valued at market, and is reflected as an asset and liability in the accompanying financial statements.

Fund balance reserved for group life insurance represents dividends and transfer of reserve for premium waivers from the insurance carrier to the state. The disability self insurance reserve reflects the State's responsibility for the continuation of the insurance in force under the group policy for those employees who have provided proof of total disability from bodily injury or disease which wholly or continuously prevents them from engaging in any occupation or employment for wage or profit.

Exhibit G-10

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PAYROLL AND PENSION CLEARING FUND
BALANCE SHEETS

June 30, 1989 and 1988

Assets	1989	1988
Cash	$	$ 1,127,948
Investments	8,000,000	5,800,000
Deferred compensation held by insurance carriers	44,609,631	38,118,128
Total assets	$ 52,609,631	$ 45,046,076
Liabilities and Fund Balances		
Liabilities:		
Cash overdraft	$ 3,089,075	$
Vouchers and accounts payable	2,434,325	2,108,212
Federal government - FICA, income taxes and savings bonds	752,018	1,544,213
Insurance carriers and others	1,437,926	2,971,111
State employees - R. I. deferred compensation program	44,609,631	38,118,128
Total liabilities	52,322,975	44,741,664
Fund balances:		
Reserved - group life insurance	73,785	63,718
Disability self-insurance reserve - group life insurance	212,871	240,694
Total fund balances (Exhibit G-11)	286,656	304,412
Total liabilities and fund balances	$ 52,609,631	$ 45,046,076

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit G-11

PAYROLL AND PENSION CLEARING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Fiscal Years Ended June 30, 1989 and 1988

	1989	1988
Revenues:		
Income from investments	$ 769,121	$ 523,219
Group life insurance		3,885
Total revenues	769,121	527,104
Expenditures:		
Group life insurance	17,756	
Total expenditures	17,756	
Excess of revenues over expenditures	751,365	527,104
Other financing uses:		
Transfers to general fund	(769,121)	(523,219)
Total other financing uses	(769,121)	(523,219)
Increase (decrease) in fund balances	(17,756)	3,885
Fund balances, July 1	304,412	300,527
Fund balances, June 30 (Exhibit G-10)	$ 286,656	$ 304,412

FINANCIAL SECTION

Exhibit/
Schedule

GENERAL LONG-TERM DEBT ACCOUNT GROUP:

Statement of General Long-Term Debt H-1

Statement of Changes in General Long-Term Debt H-2

STATE DEBT

ANALYSIS OF DEBT CHANGES (Refer to Exhibits H-1 and 2)

General obligation bonded debt supported by taxes at June 30, 1989, amounted to $379,473,354, an increase of $42,748,354 compared with $336,725,000, at June 30, 1988 as follows:

Issuance of general obligation bonds and notes	$135,868,354
Redemption of general obligation bonds and notes	93,120,000
Increase - general obligation bonded debt	$ 42,748,354

DEBT SERVICE COST

	1989	1988	Increase (Decrease)
General obligation bonds and notes:			
Interest on debt	$ 23,774,654	$ 18,821,610	$ 4,953,044
Redemption and refunding of general obligation bonds and notes	93,120,000	48,980,000	44,140,000
	$ 116,894,654	$ 67,801,610	$ 49,093,044
Lease participation certificates:			
Interest on debt	$ 649,170	$ 305,622	$ 343,548
Redemption of certificates	2,710,998	658,109	2,052,889
	$ 3,360,168	$ 963,731	$ 2,396,437
Loans payable to R.I. Refunding Bond Authority:			
Interest on debt	$ 1,175,350	$ 168,132	$ 1,007,218
Redemption of loans	2,970,000	530,000	2,440,000
	$ 4,145,350	$ 698,132	$ 3,447,218
Lease obligation to R.I. Public Buildings Authority:			
Interest on debt	$ 2,424,253	$ 3,028,778 *	$ (604,525)
Redemption of lease obligation	6,810,000	4,440,000	2,370,000
	9,234,253	$ 7,468,778	$ 1,765,475

STATE AUTHORITIES

Bonds Guaranteed by State	Amount Outstanding June 30, 1989
Blackstone Valley District Commission	$ 17,610,000
Narragansett Bay Water Quality Management District Commission	7,580,000
Rhode Island Turnpike and Bridge Authority (State guarantee limited to $31,000,000)	31,000,000
	$ 56,190,000

* Restated.

BONDS AND NOTES AUTHORIZED AND UNISSUED AT JUNE 30, 1989

			Issued		
	Legal Reference	Authorized	Current Year	To Date	Unissued June 30, 1989
General Obligation Bonds Supported By Taxes					
Capital Development Fund	Ch. 163, P.L. 1980	$ 14,869,600	$	$ 13,865,000	$ 1,004,600
	Ch. 344, P.L. 1982	40,500,000	400,084	38,810,084	1,689,916
	Ch. 332, P.L. 1983	68,600,000	1,997,623	56,197,623	12,402,377
	Ch. 156, P.L. 1984	25,775,000	2,840,063	23,385,063	2,389,937
	Ch. 367, P.L. 1985	41,180,000	11,985,090	33,450,090	7,729,910
	Ch. 419, P.L. 1986	116,580,000	44,069,068	62,789,068	53,790,932
	Ch. 449, P.L. 1988	149,922,500			149,922,500
R.I. Economic Development Fund	Ch. 157, P.L. 1979	25,000,000	2,500,075	20,000,075	4,999,925
Environmental Response Fund	Ch. 403, P.L. 1984	5,000,000	1,000,249	2,000,249	2,999,751
Sewerage and Water Supply Failure Fund	Ch. 420, P.L. 1984	5,000,000	1,300,144	2,300,144	2,699,856
E911 Uniform Emergency Call System Fund	Ch. 155, P.L. 1984	5,000,000	850,167	850,167	4,149,833
Asbestos and Dangerous Products Abatement Fund	Ch. 366, P.L. 1985	20,000,000		4,000,000	16,000,000
Heritage Capital Development Fund	Ch. 369, P.L. 1985	9,000,000	2,305,092	5,585,092	3,414,908
Underground Storage Tank Replacement Revolving Loan Fund	Ch. 486, P.L. 1985	1,500,000			1,500,000
Narragansett Bay Water Quality Management District Commission Fund	Ch. 342, P.L. 1980	73,641,000		20,000,000	53,641,000
Clean Water Act Environmental Trust Fund	Ch. 289, P.L. 1986	35,000,000	7,030,699	9,530,699	25,469,301
Hazardous Waste Technology Research, Development and Demonstration Fund	Ch. 399, P.L. 1986	2,000,000			2,000,000
Open Space and Recreational Area Fund	Ch. 425, P.L. 1987	65,200,000		28,000,000	37,200,000
Drinking Water Protection Fund	Ch. 417, P.L. 1987	10,000,000			10,000,000
Rhode Island Aqua Fund	Ch. 443, P.L. 1988	15,000,000			15,000,000
Residential Substance Abuse Treatment Facilities Fund	Ch. 628, P.L. 1988	3,200,000			3,200,000
Total General Obligation Bonds Supported By Taxes		$ 731,968,100	$ 76,278,354	$ 320,763,354	$ 411,204,746
Self-supporting Enterprise Bonds - Guaranteed By State					
R.I. Industrial - Recreational Building Authority	Ch. 537, P.L. 1987	$ 80,000,000	$	$	$ 80,000,000 *
Blackstone Valley Sewer District Commission	Ch. 267, P.L. 1966	8,500,000		7,800,000	700,000
Blackstone Valley Sewer District Commission	Ch. 92, P.L. 1971	3,300,000		900,000	2,400,000
Blackstone Valley District Commission	Ch. 289, P.L. 1986	17,200,000		12,045,000	5,155,000
Narragansett Bay Water Quality Management District Commission	Ch. 342, P.L. 1980	14,059,000		8,500,000	5,559,000
Total Self-supporting Enterprise Bonds - Guaranteed By State		$ 123,059,000	$	$ 29,245,000	$ 93,814,000

* This amount would be reduced by the amount of mortgages guaranteed by the Rhode Island Industrial-Recreational Building Authority, $23,730,161 at June 30, 1989.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit H-1

STATEMENT OF GENERAL LONG-TERM DEBT

June 30, 1989 and 1988

	1989	1988
Amount to be provided for retirement of general long term debt	$ 537,558,787	$ 483,355,911
General long term debt payable:		
General obligation bonds payable	$ 379,473,354	$ 336,725,000
Lease participation certificates payable	10,019,257	10,779,411
Loan payable to R.I. Refunding Bond Authority	16,870,000	19,840,000
Lease obligations to the R.I. Public Buildings Authority	130,491,500	116,011,500
Arbitrage rebate payable	704,676	
	$ 537,558,787	$ 483,355,911

Exhibit H-2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT

For the Fiscal Year Ended June 30, 1989

	Balance July 1, 1988	General Long-term Debt Incurred	General Long-term Debt Retired	Balance June 30, 1989
General obligation bonds payable	$ 336,725,000	$ 135,868,354	$ 93,120,000	$ 379,473,354
Lease participation certificates payable	10,779,411	1,950,844	2,710,998	10,019,257
Loan payable to R.I. Refunding Bond Authority	19,840,000		2,970,000	16,870,000
Lease obligations to the R.I. Public Buildings Authority	116,011,500	21,290,000	6,810,000	130,491,500
Arbitrage rebate payable		704,676		704,676
	$ 483,355,911	$ 159,813,874	$ 105,610,998	$ 537,558,787

General long-term debt incurred and retired includes bond anticipation notes of $59,590,000 that were issued and redeemed during fiscal year 1989.

PROPRIETARY FUND TYPES

	Exhibit/ Schedule
PUBLIC AUTHORITIES AND CORPORATIONS:	
Combining Balance Sheets	J-1
Combining Statement of Revenues, Expenses, and Changes in Fund Equity	J-2
Combining Statement of Changes in Financial Position	J-3

Exhibit J-1-1

COMBINING BALANCE SHEETS
PUBLIC AUTHORITIES AND CORPORATIONS

June 30, 1989

Assets	R.I. Port Authority and Economic Development Corporation	R.I. Water Resources Board Corporate	R.I. Solid Waste Management Corporation	R.I. Housing and Mortgage Finance Corporation	R.I. Refunding Bond Authority	R.I. Public Transit Authority	R.I.Turnpike and Bridge Authority
Cash	$ 137,910	$ 34,371	$ 214,462	$ 15,404,977	$	$ 154,328	$ 558,081
Investments	8,588,630	1,998,118	208,805,670	808,346,860	4,829	1,658,405	18,584,402
Receivables (net of allowance for uncollectibles):							
Accounts	466,651		5,177,651			620,470	
Accrued interest			1,038,968	25,587,820		13,176	833,941
Notes and loans	7,530,996			942,741,548	16,765,025		
Due from other governments and agencies		11,195			1,870	139,139	
Inventories	150,985					407,095	
Prepaid expenses	19,740					25,943	22,738
Land	21,868,509						
Fixed assets	8,711,399	959,405	25,443,340			41,519,600	60,487,966
Construction in progress		4,494,533	3,508,211				
Accumulated depreciation, depletion, and amortization	(5,494,744)		(13,773,477)			(15,500,698)	
Other assets			15,448,163	18,185,135	525,574		
Rentals due for payment of principal and interest on revenue bonds							
Total assets	$ 41,980,076	$7,497,622	$245,862,988	$1,810,266,340	$ 17,297,298	$ 29,037,458	$ 80,487,128
Liabilities and Fund Equity							
Liabilities:							
Cash overdraft	$ 151,337	$	$ 74,946	$	$	$	$
Accounts payable	692,878	787,883	3,540,221			1,811,498	1,211,688
Due to other funds							5,300,000
Due to other governments					742		
Accrued liabilities	638,632	249,231	1,416,859	36,818,012	175,176	6,469,484	454,079
Deferred revenue				5,181,859		246,536	568,173
Notes payable		4,700,000	14,400,000			550,000	
Escrow deposits				59,226,317			
Other liabilities			6,335,673				
Provision for maintenance							14,823,074
Bonds payable			166,980,141	1,525,481,664	17,120,000		47,185,000
Total liabilities	1,482,847	5,737,114	192,747,840	1,626,707,852	17,295,918	9,077,518	69,542,014
Fund equity:							
Contributed capital		1,587,359				28,620,164	
Unexpanded funds							
Retained earnings (deficit)			53,115,148			(8,660,224)	
Fund balance:							
Reserved	27,188,844	86,744		183,558,488	865		16,603,230
Unreserved	13,308,385	86,405			515		(5,658,116)
Total fund equity	40,497,229	1,760,508	53,115,148	183,558,488	1,380	19,959,940	10,945,114
Total liabilities and fund equity	$ 41,980,076	$7,497,622	$245,862,988	$1,810,266,340	$ 17,297,298	$ 29,037,458	$ 80,487,128

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-1-2

COMBINING BALANCE SHEETS
PUBLIC AUTHORITIES AND CORPORATIONS

June 30, 1989

Assets	R.I. Public Buildings Authority	R.I. Student Loan Authority	R.I. Industrial Facilities Corporation	Howard Development Corporation	Convention Center Authority	R.I. Public Telecommunications Authority	Total
Cash	$ 2,584,871	$ 231,107	$ 102,548	$ 20,984	$ 64,275	$	$ 19,507,914
Investments	80,345,274	105,281,866	819,774	4,271,558	102,033	352,994	1,239,160,413
Receivables (net of allowance for uncollectibles):							
Accounts			7,502		32,585	132,919	6,437,778
Accrued interest	601,952	2,263,600	2,770	21,397			30,363,624
Notes and loans		123,359,250					1,090,396,819
Due from other governments and agencies		158,309					310,513
Inventories				2,235,658			2,793,738
Prepaid expenses	61,581			2,619	37,060	1,048	170,729
Land					33,659,689		55,528,198
Fixed assets	73,157	20,569			6,820	2,959,179	140,181,435
Construction in progress							8,002,744
Accumulated depreciation, depletion, and amortization	(60,183)	(20,365)			(682)		(34,850,149)
Other assets		566,101			1,156,435	222,951	36,104,359
Rentals due for payment of principal and interest on revenue bonds	161,946,924						161,946,924
Total assets	$ 245,553,576	$ 231,860,437	$ 932,594	$ 6,552,216	$ 35,058,215	$ 3,669,091	$ 2,756,055,039
Liabilities and Fund Equity							
Liabilities:							
Cash overdraft	$	$	$	$	$	$ 13,703	$ 239,986
Accounts payable		254,995	2,900	38,890		176,966	8,517,919
Due to other funds							5,300,000
Due to other governments				800,000			800,742
Accrued liabilities	6,010,861	1,228,172			628,257	205,075	54,293,838
Deferred revenue			9,979			13,830	6,020,377
Notes payable	23,322,878				34,429,958		77,402,836
Escrow deposits							59,226,317
Other liabilities							6,335,673
Provision for maintenance							14,823,074
Bonds payable	150,844,053	222,886,537					2,130,497,395
Total liabilities	180,177,792	224,369,704	12,879	838,890	35,058,215	409,574	$ 2,363,458,157
Fund equity:							
Contributed capital							$ 30,207,523
Unexpended funds	62,078,452						62,078,452
Retained earnings (deficit)							44,454,924
Fund balance:							
Reserved	3,101,951					2,836,534	233,376,656
Unreserved	195,381	7,490,733	919,715	5,713,326		422,983	22,479,327
Total fund equity	65,375,784	7,490,733	919,715	5,713,326		3,259,517	$ 392,596,882
Total liabilities and fund equity	$ 245,553,576	$ 231,860,437	$ 932,594	$ 6,552,216	$ 35,058,215	$ 3,669,091	$ 2,756,055,039

Exhibit J-2-1

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1989

	R.I. Port Authority and Economic Development Corporation	R.I. Water Resources Board Corporate	R.I. Solid Waste Management Corporation	R.I. Housing and Mortgage Finance Corporation	R.I. Refunding Bond Authority	R.I. Public Transit Authority	R.I. Turnpike and Bridge Authority
Revenues:							
Licenses, fees, sales and services	$ 3,267,606	$	$ 31,707,854	$ 2,051,091	$	$ 6,782,800	$ 8,929,717
Rental income	3,849,398					79,612	
State of R.I. and federal grants	903,233					15,946,068	
Other grants						150,071	
Interest	1,386,702	11,998	16,608,326	140,735,364	1,167,504	144,128	1,478,778
Other income	150,000	86,360		57,702	89,647	246,132	88,213
Total revenues	9,556,939	98,358	48,316,180	142,844,157	1,257,151	23,348,811	10,496,708
Expenses:							
Supplies, materials, and services	7,904,953	9,072	18,329,242	5,327,290		25,872,252	1,978,515
Additions to provision for maintenance							5,000,000
Interest on bonds and notes	4,441		10,926,338	115,089,773	1,167,163	2,775	2,121,165
Depreciation, depletion and amortization	542,897		2,069,559	4,036,651	85,588	3,461,808	
Miscellaneous			1,139,474		4,059		
Total expenses	8,452,291	9,072	32,464,613	124,453,714	1,256,810	29,336,835	9,099,680
Excess (deficiency) of revenues over expenses	1,104,648	89,286	15,851,567	18,390,443	341	(5,988,024)	1,397,028
Other changes in fund equity:							
Increase in unexpended funds							
Bond principal payments							
Gain on bond redemption							105,313
Gain (loss) on sale of property	45,187					(39,675)	
Increase in contributed capital		668,427				1,295,436	
Distribution of fund balance	(814,404)						
Net increase (decrease) in fund equity	335,431	757,713	15,851,567	18,390,443	341	(4,732,263)	1,502,341
Fund equity, July 1	40,161,798	991,308	37,263,581	165,168,045	1,039	24,692,203	9,442,773
Prior period adjustment		11,487					
Fund equity, July 1, restated	40,161,798	1,002,795	37,263,581	165,168,045	1,039	24,692,203	9,442,773
Fund equity, June 30	$ 40,497,229	$ 1,760,508	$ 53,115,148	$ 183,558,488	$ 1,380	$ 19,959,940	$ 10,945,114

Exhibit J-2-2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1989

	R.I. Public Buildings Authority	R.I. Student Loan Authority	R.I. Industrial Facilities Corporation	Howard Development Corporation	Convention Center Authority	R.I. Public Telecommunications Authority	Total
Revenues:							
Licenses, fees, sales and services	$ 422,000	$	$ 377,364	$	$	$ 758,551	$ 54,296,983
Rental income	19,044,565						22,973,575
State of R.I. and federal grants						1,583,592	18,432,893
Other grants						561,891	711,962
Interest	6,325,838	19,317,420	63,073	335,322			187,574,453
Other income	146,615			20,550		296,793	1,182,012
Total revenues	25,939,018	19,317,420	440,437	355,872		3,200,827	285,171,878
Expenses:							
Supplies, materials, and services	375,214	3,308,271	115,387	28,068		2,840,880	66,089,144
Additions to provision for maintenance							5,000,000
Interest on bonds and notes	11,914,565	14,936,701					156,162,921
Depreciation, depletion and amortization	241,703	188,286					10,626,492
Miscellaneous		85,190		29,078			1,257,801
Total expenses	12,531,482	18,518,448	115,387	57,146		2,840,880	239,136,358
Excess (deficiency) of revenues over expenses	13,407,536	798,972	325,050	298,726		359,947	46,035,520
Other changes in fund equity:							
Increase in unexpended funds	723,781						723,781
Bond principal payments	(7,130,000)						(7,130,000)
Gain on bond redemption							105,313
Gain (loss) on sale of property							5,512
Increase in contributed capital							1,963,863
Distribution of fund balance	(6,249,911)		(150,000)				(7,214,315)
Net increase (decrease) in fund equity	751,406	798,972	175,050	298,726		359,947	34,489,674
Fund equity, July 1	64,624,378	6,691,761	744,665	5,414,600		2,899,570	358,095,721
Prior period adjustment							11,487
Fund equity, July 1, restated	64,624,378	6,691,761	744,665	5,414,600		2,899,570	358,107,208
Fund equity, June 30	$ 65,375,784	$ 7,490,733	$ 919,715	$ 5,713,326	$	$ 3,259,517	$ 392,596,882

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-3-1

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1989

	R.I. Port Authority and Economic Development Corporation	R.I. Water Resources Board Corporate	R.I. Solid Waste Management Corporation	R.I. Housing and Mortgage Finance Corporation	R.I. Refunding Bond Authority	R.I. Public Transit Authority	R.I. Turnpike and Bridge Authority
Sources of funds:							
Licenses, fees, sales, and services	$ 3,267,606	$ -	$ 31,207,399	$ 896,750	$	$ 6,309,767	$ 8,934,826
Rental income	3,849,398					79,612	
Proceeds from sale of bonds and notes		4,653,000	14,000,000	426,532,167		550,000	
Interest	1,083,542	199,764	16,464,983	133,746,786	340	170,067	902,255
Repayment of loans				79,025,200	4,176,540		
State of R.I. and federal grants	903,233	678,967				18,943,311	
Other grants							
Other receipts	498,347	148,304	161,293	10,750,437	3,874	259,815	88,213
Total sources	9,602,126	5,680,035	61,833,675	650,951,340	4,180,754	26,312,572	9,925,294
Uses of funds:							
Supplies, materials, and services	12,436,733	7,872	13,846,745	5,861,826		23,817,177	5,139,620
Loans issued				117,055,793			
Debt service	4,441	300,000	13,527,754	282,721,561	4,176,540	2,775	2,887,238
Other uses			319,415	6,968,162	3,874	1,204,374	
Total uses	12,441,174	307,872	27,693,914	412,607,342	4,180,414	25,024,326	8,026,858
Excess of sources over (under) uses	(2,839,048)	5,372,163	34,139,761	238,343,998	340	1,288,246	1,898,436
Other changes in financial position:							
(Increase) decrease in investments	3,857,278	(1,718,118)	(19,950,944)	(239,071,713)	(340)	116,598	(1,434,357)
Increase in fixed assets	(418,701)		(11,276,307)			(1,295,436)	
Increase in unexpended funds							
Interfund and intrafund transfers	(814,404)						(300,000)
Increase in other liabilities							
Increase in construction costs		(3,624,080)					
(Increase) decrease in other assets	256,946		(2,698,548)	(1,481,681)			
Increase (decrease) in cash	42,071	29,965	213,962	(2,211,396)		109,408	164,079
Cash balance, July 1	95,839	4,406	500	17,616,373		44,920	394,002
Cash balance, June 30	$ 137,910	$ 34,371	$ 214,462	$ 15,404,977	$	$ 154,328	$ 558,081

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit J-3-2

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
PUBLIC AUTHORITIES AND CORPORATIONS

For the Fiscal Year Ended June 30, 1989

	R.I. Public Buildings Authority	R.I. Student Loan Authority	R.I. Industrial Facilities Corporation	Howard Development Corporation	Convention Center Authority	R.I. Public Telecommunications Authority	Total
Sources of funds:							
Licenses, fees, sales, and services	$ 422,000	$	$ 399,176	$	$	$ 516,400	$ 51,953,924
Rental income	12,794,654						16,723,664
Proceeds from sale of bonds and notes	28,712,181	239,912,748			34,429,958		748,790,054
Interest	6,894,770	16,698,006	60,303	339,185			176,560,001
Repayment of loans		17,423,724					100,625,464
State of R.I. and federal grants						1,583,592	22,109,103
Other grants						561,891	561,891
Other receipts	146,615			20,550		18,738	12,096,186
Total sources	48,970,220	274,034,478	459,479	359,735	34,429,958	2,680,621	1,129,420,287
Uses of funds:							
Supplies, materials, and services	369,894	1,107,695	115,067	18,477		2,232,519	64,953,625
Loans issued		27,428,395					144,484,188
Debt service	17,930,052	147,457,207					469,007,568
Other uses		40,148	150,000	9,133	285,000		8,980,106
Total uses	18,299,946	176,033,445	265,067	27,610	285,000	2,232,519	687,425,487
Excess of sources over (under) uses	30,670,274	98,001,033	194,412	332,125	34,144,958	448,102	441,994,800
Other changes in financial position:							
(Increase) decrease in investments	(677,907)	(97,352,722)	(113,937)	(320,734)		(352,994)	(357,019,890)
Increase in fixed assets	(349)	(3,108)			(33,266,259)	(448,651)	(46,708,811)
Increase in unexpended funds	723,781						723,781
Interfund and intrafund transfers							(1,114,404)
Increase in other liabilities						13,703	13,703
Increase in construction costs							(3,624,080)
(Increase) decrease in other assets	(28,690,465)	(484,101)		(8,805)	(866,079)		(33,974,733)
Increase (decrease) in cash	2,025,334	161,102	80,475	2,586	12,620	(339,840)	290,366
Cash balance, July 1	559,537	70,005	22,073	18,398	51,655	339,840	19,217,548
Cash balance, June 30	$ 2,584,871	$ 231,107	$ 102,548	$ 20,984	$ 64,275	$	$ 19,507,914

STATISTICAL SECTION

STATISTICAL SECTION

	Exhibit/ Schedule
GENERAL FUND:	
General Revenue by Source - Ten Years	S-1
Chart of Revenues - Ten Years	S-2
Principal Sources of General Revenue - Ten Years	S-3
Expenditures	S-4
Chart of General Fund Expenditures	S-5
General Fund Expenditures by Function - Five Years	S-6
Comparative Summary of Expenditures by Character and Object Classification - Five Years	S-7

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

GENERAL FUND
GENERAL REVENUE BY SOURCE

Ten Year Period Ended June 30, 1989

(Expressed in thousands)

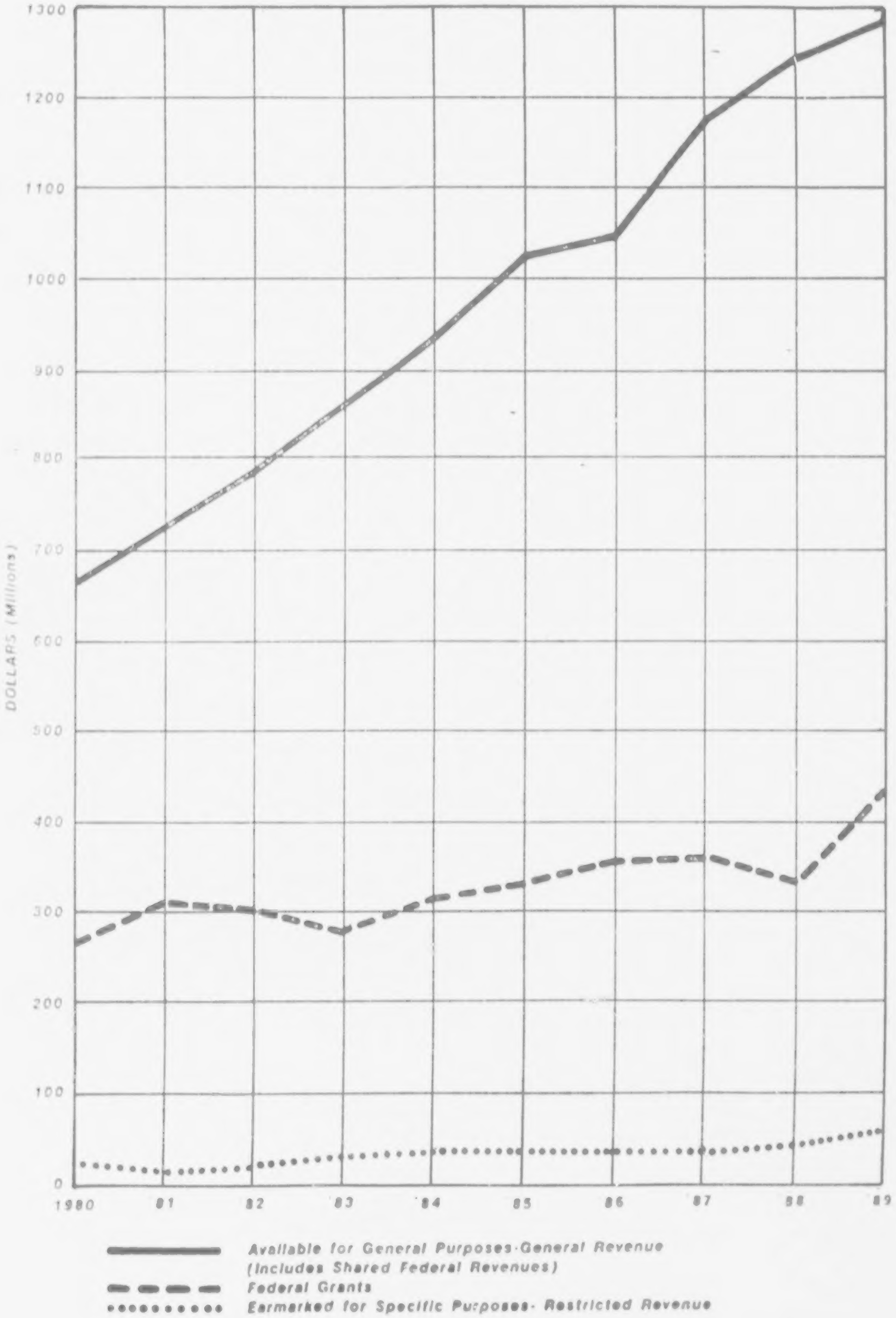
	Fiscal Year	Taxes	Licenses and Fees	Fines and Penalties	Sales and Services	Other Revenue	Federal Grants	Departmental Restricted	Total Revenues
	1980	$ 539,688	$ 6,681	$ 5,606	$ 72,348	$ 23,436	$ 277,825	$ 15,496	$ 941,080
(1)	1981	602,603	7,233	5,895	77,857	23,109	305,617	11,240	1,033,554
	1982	664,558	9,167	7,885	86,410	22,931	302,828	12,214	1,105,993
	1983	714,945	11,013	9,334	94,164	20,670	291,843	18,621	1,160,590
	1984	791,521	12,040	12,012	94,481	24,895	310,844	26,561	1,272,354
	1985	857,654	13,244	15,483	99,364	27,464	331,566	30,287	1,375,062
	1986	887,827	13,901	8,753	102,671	30,491	366,712	31,207	1,441,562
(2)	1987	1,032,874	14,296	11,916	97,532	9,190	361,106	37,766	1,564,680
	1988	1,103,199	15,979	12,294	101,552	14,835	385,266	48,238	1,681,363
	1989	1,134,770	17,435	11,440	115,923	13,623	430,545	59,445	1,783,181

(1) Beginning in 1981, the modified accrual basis of reporting revenues was changed to reflect revenue recognition in accordance with N.C.G.A. Statement 1, Principles of Recording Revenues on the Accrual Basis.

(2) Beginning in 1987, Lottery Fund transfers to the General Fund were classified as an other financing source.

Exhibit S-2

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
GENERAL FUND REVENUES



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-3

GENERAL FUND
SUMMARY OF PRINCIPAL SOURCES OF GENERAL REVENUE OF THE STATE
EXCLUSIVE OF FEDERAL GRANTS

Ten Year Period Ended June 30, 1989

(Expressed in thousands)

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
(1)Motor Vehicles - Registration and Licenses	$ 23,748	$ 23,843	$ 21,451	$ 21,142	$ 19,383	$ 17,922	$ 17,118	$ 14,050	$ 17,062	$ 16,676
(2)Gasoline Tax	41,832	44,705	43,687	47,720	46,191	45,970	43,326	46,440	39,824	39,260
(3)Cigarette Tax	31,732	33,525	29,464	29,873	29,123	29,310	29,474	26,670	25,043	24,365
Tax on Insurance Companies	32,831	30,362	27,393	22,572	17,364	16,391	14,457	15,622	13,767	12,521
(4)Sales and Use Tax	390,951	381,201	351,465	301,064	278,165	245,555	213,774	193,268	179,639	168,993
(5)Business Corporation Tax	57,259	66,650	81,602	64,116	68,249	57,020	40,651	51,101	48,828	51,720
(6)Personal Income Tax	422,255	388,647	358,828	285,343	284,259	284,149	263,699	212,752	194,837	153,847
(7)Gross Earnings - Public Utilities	49,917	54,113	56,106	63,126	70,049	58,882	50,913	53,917	44,463	36,737

TAX RATE CHANGES

(1)License renewals prior to January 1, 1985 were for a period of two years and carried a fee of $8.00. Subsequent to that date, the license renewal period was extended to five years and the fee increased to $20.00 (Ch. 439, P.L. 1984). Effective January 1, 1988 a two year registration system was implemented (Ch. 167, P.L. 1986).

(2)Effective June 1, 1981, the tax rate was changed from $.10 per 1983, the tax rate was increased to 11% of the wholesale selling price, but not less than $.13 per gallon (Ch. 2, P.L. 1983). Effective July 1, 1983, $.015 of the tax imposed was to be used for making appropriations for the financial support of the Rhode Island Public Transit Authority (Ch. 167, P.L. 1983). Effective July 1, 1985, $.02 of the tax imposed was for making such appropriations (Ch. 181, P.L. 1985). Effective July 1, 1986, $.03 of the tax imposed was used for the financial support of the Rhode Island Public Transit Authority (Ch. 287, P.L. 1986).

(3)Effective March 15, 1982, the rate was changed from $.18 to $.23 per package (Ch. 9, P.L. 1982). The tax rate was increased, effective July 1, 1988, to $.27 per package (Ch. 129, P.L. 1988).

(4)Effective May 19, 1982, sale of a boat to a non-resident and sales to nonprofit organized bands for persons under age 18 were added to exemptions (Ch. 320, P.L. 1982).

(5)For the period, January 1, 1983 through December 31, 1983, the rate increased from 8% to 9% of net income, and 8% thereafter (Ch. 2, P.L. 1983).

(6)The Tax Administrator set the rate of 19.24% of taxpayer's federal income tax liability for the calendar year 1981 and 21.9% for 1982. Effective January 1, 1983 through June 30, 1983, the rate increased to 27.5%; the rate for July 1, 1983 was set at 26% making an effective rate for calendar year 1983 of 26.75% (Ch. 167, P.L. 1983). On July 1, 1984, the rate was set at 25% making an effective rate for calendar year 1984 of 25.5% (Ch. 245, P.L. 1984). As of January 1, 1985, the personal income tax rate was reduced to 23.65% (Ch. 5, P.L. 1985). Also, the tax revenue for fiscal year 1985 reflects the distribution of approximately 11.5 million dollars of tax rebates to the majority of tax filers. This is as a result of legislation enacted which, in effect, changed the 181, P.L. 1985). Effective January 1, 1986, the rate was reduced to 21.65% of the federal tax liability, but was subsequently adjusted upward to 22.21% (Ch. 181, P.L. 1985) to accommodate State revenue losses resulting from the estimated value of federal indexing. The fiscal 1987 Appropriations Act provided for a state personal income tax rate of 22.65%, in the event that annual indexing of the federal personal income tax took place on January 1, 1987 as provided under provisions of the Economic Recovery Tax Act of 1981 or under similar but newly enacted legislation as passed by the United States Congress. However, the signing into law on October 22, 1986 of the Federal Tax Reform Act of 1986, necessitated that a new rate be set for the period beginning January 1, 1987 equal to 23.96%. This rate is contained in the 1988 Appropriation Act, which also provides for a reduction on July 1, 1987 to 22.96% of the taxpayer's federal liability. The effective rate for calendar year 1987 and 1988 was 23.46% and 22.96%, respectively.

(7)Legislation was enacted during the 1983 session of the General Assembly providing for the following changes in the rates of taxation; (a) for telecommunications corporations effective July 1, 1983, an increase in the rate from 8% to 10% of gross earnings to be reduced to 9% effective July 1, 1985, and 8% effective July 1, 1986; and (b) for public service cable corporations, a rate of 8% effective July 1, 1983. The gross earnings tax rate of telecommunications corporations was reduced to 7%, effective July 1, 1987, and to 6%, effective July 1, 1988 (Ch. 287, P.L. 1986).

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-4

GENERAL FUND
EXPENDITURES

Ten Year Period Ended June 30, 1989

(Expressed in thousands)

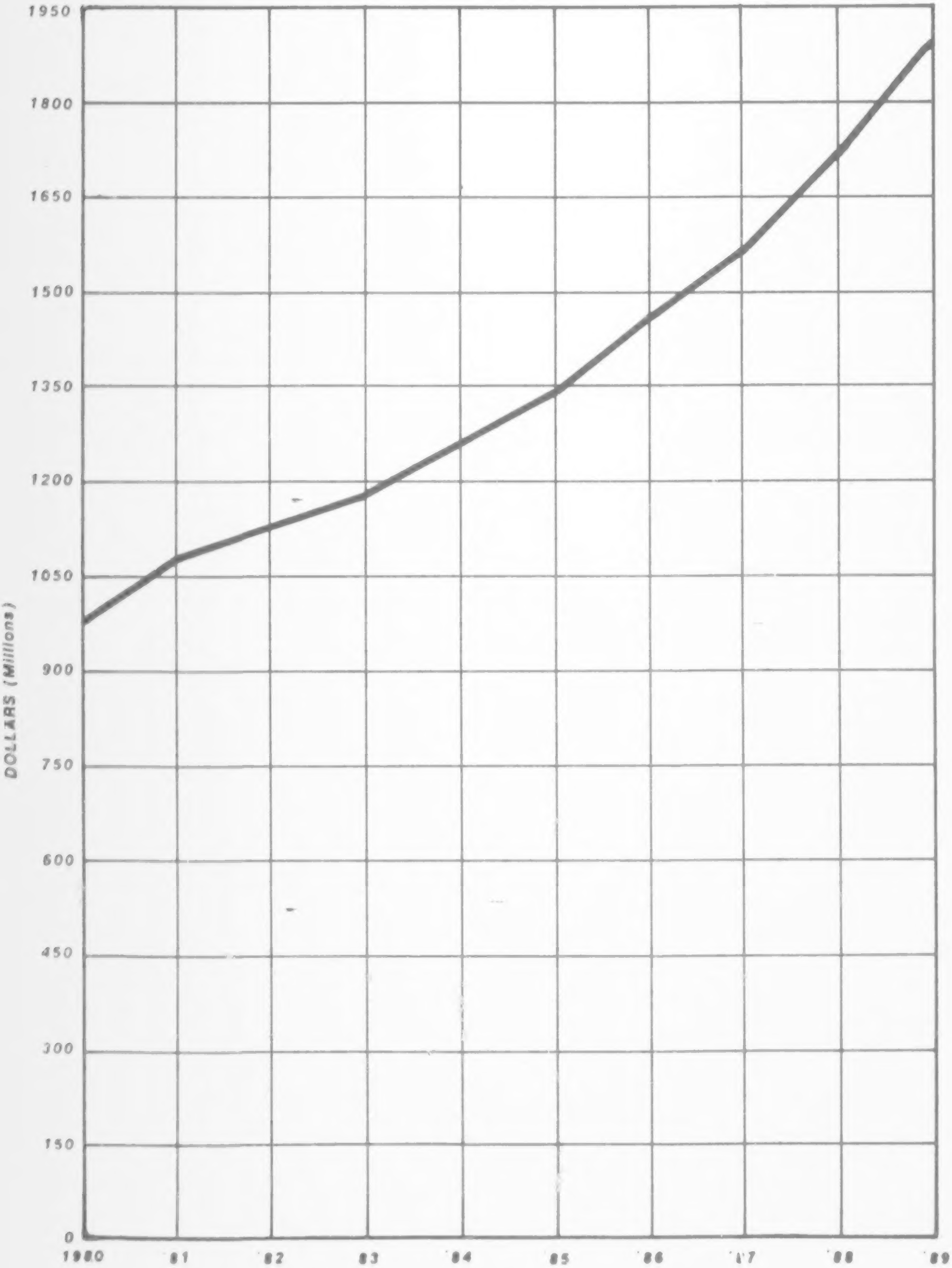
Fiscal Year	General	%	Federal Grants	%	Departmental Restricted and Interfund Transfers	%	Total Expenditures	%
*1980	$ 675,386	11.2	$ 278,367	17.3	$ 19,611	(1.8)	$ 973,364	12.6
1981	756,452	12.0	296,712	6.6	13,931	(29.0)	1,067,095	9.6
1982	821,247	8.6	300,774	1.4	12,520	(10.1)	1,134,541	6.3
1983	858,299	4.5	295,355	(1.8)	17,260	37.9	1,170,914	3.2
1984	901,640	5.0	313,972	6.3	26,219	51.9	1,241,832	6.1
1985	972,577	7.9	340,059	8.3	28,919	10.3	1,341,555	8.0
1986	1,052,432	8.2	353,865	4.1	29,413	1.7	1,435,710	7.0
1987	1,130,879	7.5	364,765	3.1	35,339	20.1	1,530,983	6.6
1988	1,255,685	11.0	389,245	6.7	45,584	29.0	1,690,514	10.4
1989	1,399,730	11.5	434,517	11.6	58,923	29.3	1,893,170	12.0

Percentages indicate increase (decrease) from prior years.

* Restated.

Exhibit S-5

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS GENERAL FUND EXPENDITURES



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-6

GENERAL FUND
EXPENDITURES BY FUNCTION

Five Year Period Ended June 30, 1989

(Expressed in thousands)

	1989	1988	1987	1986	1985
INDIVIDUAL AND FAMILY DEVELOPMENT					
Health	$ 583,521	$ 530,571	$ 486,381	$ 461,547	$ 444,097
Social assistance	360,533	299,587	272,809	253,767	234,459
Education	552,639	500,164	451,936	422,156	387,685
Total - individual and family development	1,496,693	1,330,322	1,211,126	1,137,470	1,066,241
ECONOMIC DEVELOPMENT					
Employment resources	24,282	23,745	24,787	24,710	25,190
Natural resources	34,528	26,396	25,682	21,572	19,692
Business resources	16,983	14,642	12,469	12,314	12,222
Total - economic development	75,793	64,783	62,938	58,596	57,104
PUBLIC SAFETY					
Highway safety	15,095	14,184	11,973	10,686	11,039
Crime prevention	25,694	22,669	20,685	18,493	17,151
Civil and state defense	7,432	6,602	5,996	9,200	6,226
Industrial safety	1,155	1,274	1,099	980	806
Water and recreational safety	1,390	1,021	725	370	270
Fire protection	1,323	1,311	1,115	1,086	908
Total - public safety	52,089	47,061	41,593	40,815	36,400
TRANSPORTATION					
Highway system	57,197	55,781	49,819	45,204	39,982
Air transport system	6,684	6,448	6,462	6,754	7,434
Motor bus system	19,073	17,976	17,894	14,062	13,550
Water transport system	17	2	11	7	2
Rail transport system	3	3,231	184	1	30
Total - transportation	82,974	83,438	74,370	66,028	60,998
COMPREHENSIVE SUPPORT					
Executive	17,743	14,224	13,216	11,376	10,552
Administrative	41,697	37,830	34,444	34,055	32,916
Community affairs	69,159	63,850	43,068	41,635	32,896
Legislative	11,102	10,523	9,446	9,501	7,617
Judicial	35,387	29,828	26,348	24,257	22,787
Election board	2,087	1,737	1,943	1,680	2,003
Consumer protection	355	344	335	318	294
Miscellaneous	8,091	6,574	12,156	9,979	11,747
Total - comprehensive support	185,621	164,910	140,956	132,801	120,812
TOTAL	$ 1,893,170	$ 1,690,514	$ 1,530,983	$ 1,435,710	$ 1,341,555

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-7

GENERAL FUND
COMPARATIVE SUMMARY OF EXPENDITURES BY CHARACTER AND OBJECT CLASSIFICATION

Five Year Period Ended June 30, 1989

(Expressed in thousands)

	1989	1988	1987	1986	1985
Personal services	$ 372,128	$ 341,122	$ 304,960	$ 288,454	$ 274,447
Employee benefit programs	98,754	90,977	78,284	78,992	74,302
General and office expense	14,127	13,266	13,002	12,233	11,667
Printing, binding, and advertising	6,832	5,856	5,511	4,324	4,239
Travel	2,829	2,822	2,382	2,365	2,401
Automotive expense	7,836	6,807	6,064	5,618	4,983
Repairs	12,497	9,889	8,205	7,407	7,414
Equipment replacements	967	1,832	1,529	1,541	1,325
Rentals	24,444	19,408	16,452	13,323	13,097
Food	15,812	14,923	13,897	14,189	14,145
Fuel	4,517	4,998	4,758	6,097	7,948
Light, heat, power and water	6,920	6,436	5,677	5,712	6,039
Other operating supplies and expenses	37,392	33,282	28,938	23,863	22,328
Capital outlays	14,749	13,942	10,489	8,665	6,751
Medical assistance	377,091	318,820	293,213	270,248	251,256
Aid to families with dependent children	83,314	79,157	75,760	74,664	69,485
Promotion of public education	323,330	292,909	260,080	238,165	216,015
Other grants and claims	292,689	257,949	230,488	217,630	200,292
Interest on bonds	22,623	16,745	20,836	19,303	22,533
Serial bond payments	31,769	26,450	25,265	23,811	19,551
Fixed charges and miscellaneous expenses	3,207	856	1,233	1,468	884
Interfund transfers	139,343	132,068	123,960	117,638	110,453
Total expenditures	$ 1,893,170	$ 1,690,514	$ 1,530,983	$ 1,435,710	$ 1,341,555

STATISTICAL SECTION

Exhibit/
Schedule

STATE BONDED INDEBTEDNESS:

State Bonded Indebtedness and Net Bonded Debt Per Capita
Ten Years S-8

General Bonded Debt Expenditures - Ten Years S-9

Chart of Net General Obligation Bonded Debt and Bonds
Unissued - Supported by Taxes - Ten Years S-10

Debt Service Requirements to Maturity - General
Obligation Bonds S-11

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS Exhibit S-8

STATE BONDED INDEBTEDNESS AND NET BONDED DEBT PER CAPITA

Ten Year Period Ended June 30, 1989

(Expressed in thousands except per capita data)

	General Obligation Bonded Debt				
Fiscal Year Ended June 30	General Obligation Bonded Debt Supported by Taxes	Sinking Fund	Net General Obligation Bonded Debt Supported by Taxes	Per Capita Net General Obligation Bonded Debt Supported by Taxes	Special Bonded Debt Guaranteed by State
1980	$ 227,960	$ 1,435	$ 226,525	$ 238.52 (1)	$ 38,850
1981	203,220	500	202,720	214.03 (2)	38,215
1982	215,060	500	214,560	226.53 (2)	41,165
1983	239,135		239,135	252.48 (2)	40,900
1984	245,290		245,290	258.98 (2)	40,410
1985	260,865		260,865	275.42 (2)	40,480
1986	291,750		291,750	308.03 (2)	40,545
1987	261,895		261,895	276.51 (2)	39,575
1988	336,725		336,725	355.51 (2)	57,375
1989	379,473		379,473	400.65 (2)	56,190

(1) Based on Federal Census 1970, Population 949,723.
(2) Based on Federal Census 1980, Population 947,154.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-9

GENERAL BONDED DEBT EXPENDITURES

Ten Year Period Ended June 30, 1989

(Expressed in thousands)

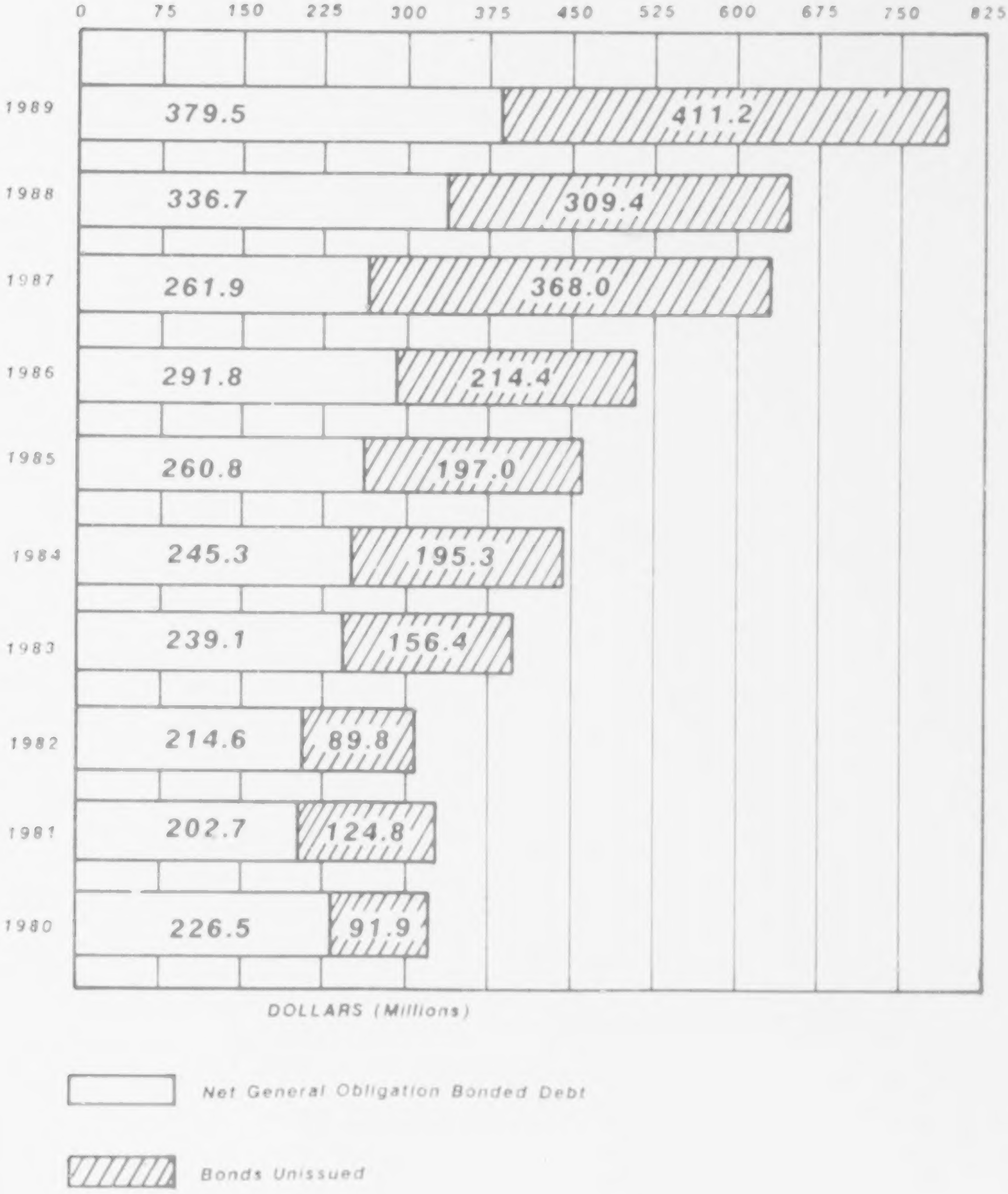
Fiscal Year	Principal	Interest	Total Debt Service
1980	$ 24,045	$ 12,022 (1)	$ 36,067
1981	23,805	11,610	35,415
1982	23,160	12,400	35,560
1983	24,925	13,714	38,639
1984	23,545	16,137	39,682
1985	23,525	20,385	43,910
1986	28,255	18,956	47,211
1987	29,855	21,247	51,102
1988	48,980 (2)	18,822	67,802
1989	33,530	23,079	56,609

(1) Includes interest of $774 paid in behalf of the Rhode Island Turnpike and Bridge Authority.

(2) Includes $18,400 of 1984 general obligation bonds refunded.

Exhibit S-10

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS NET GENERAL OBLIGATION BONDED DEBT AND BONDS UNISSUED SUPPORTED BY TAXES



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS Exhibit S 11

DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS

(Expressed in thousands)

June 30, 1989

Fiscal Year	Principal	Interest	Total
1990	$ 38,781	$ 22,965	$ 61,746
1991	35,024	20,710	55,734
1992	31,270	18,768	50,038
1993	30,005	17,447	47,452
1994	26,129	16,099	42,128
1995	23,895	14,425	38,320
1996	23,139	12,959	36,098
1997	22,239	11,737	33,976
1998	20,888	10,676	31,564
1999	19,778	11,728	31,506
2000	19,267	8,934	28,201
2001	16,487	8,013	24,500
2002	15,659	7,465	23,124
2003	13,738	6,600	20,338
2004	11,270	6,455	17,725
2005	9,285	3,719	13,004
2006	7,696	4,477	12,173
2007	6,339	3,020	9,359
2008	6,386	2,874	9,260
2009	1,998	6,240	8,238
Total	$ 379,473	$ 215,311	$594,784

STATISTICAL SECTION

Exhibit/
Schedule

OTHER:

Combined Costs of Employee Benefit Programs - All Funds - Five Years S-12

Chart of Federal Grants Received - All Funds - Ten Years . . . S-13

Statement of Certain Expenditures for State Assistance to Communities S-14

Statement of Expenditures for School Operations - Five Years S-15

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-12

COMBINED COSTS OF EMPLOYEE BENEFIT PROGRAMS - ALL FUNDS (1)

Five Year Period Ended June 30, 1989

(Expressed in thousands)

	1989	1988	1987	1986	1985
Employees' retirement					
State share	$ 49,003	$ 41,050	$ 37,346	$ 42,153	$ 39,455
Employees' share	27,124	24,657	22,431	20,379	16,704
Total	76,127	65,707	59,777	62,532	56,159
Teachers' Insurance and Annuity					
State share	6,528	5,829	5,285	4,853	4,495
Employees' share	5,862	5,216	4,749	4,317	3,905
Total	12,390	11,045	10,034	9,170	8,400
Social security (F.I.C.A.)					
State share	35,308	31,231	27,707	26,214	24,597
Employees' share	35,308	31,232	27,709	26,213	24,085
Total	70,616	62,463	55,416	52,427	48,682
Unemployment compensation					
State cost	692	792	1,001	972	973
Workers' compensation					
State cost	19,344	17,068	15,854	13,250	11,558
Medical insurance					
State share	50,687	47,846	39,979	36,756	33,185
Employees' share	2,656	1,990	271	341	641
Total	53,343	49,836	40,250	37,097	33,826
Group life insurance					
State share	212				
Employees' share	2,234	2,035	1,823	1,777	1,382
Total	2,446	2,035	1,823	1,777	1,382
Employees' benefit program					
Grand totals	234,958	208,946	184,155	177,225	160,980
Total state cost	161,774	143,816	127,172	124,198	114,263
Total employees' cost	$ 73,184	$ 65,130	$ 56,983	$ 53,027	$ 46,717

(1) State share is the related cost of benefit programs based on payroll cost and/or employer participation. Employees' share reflects the gross payroll deductions for benefit programs.

Exhibit S-13

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS FEDERAL GRANTS RECEIVED ALL FUNDS

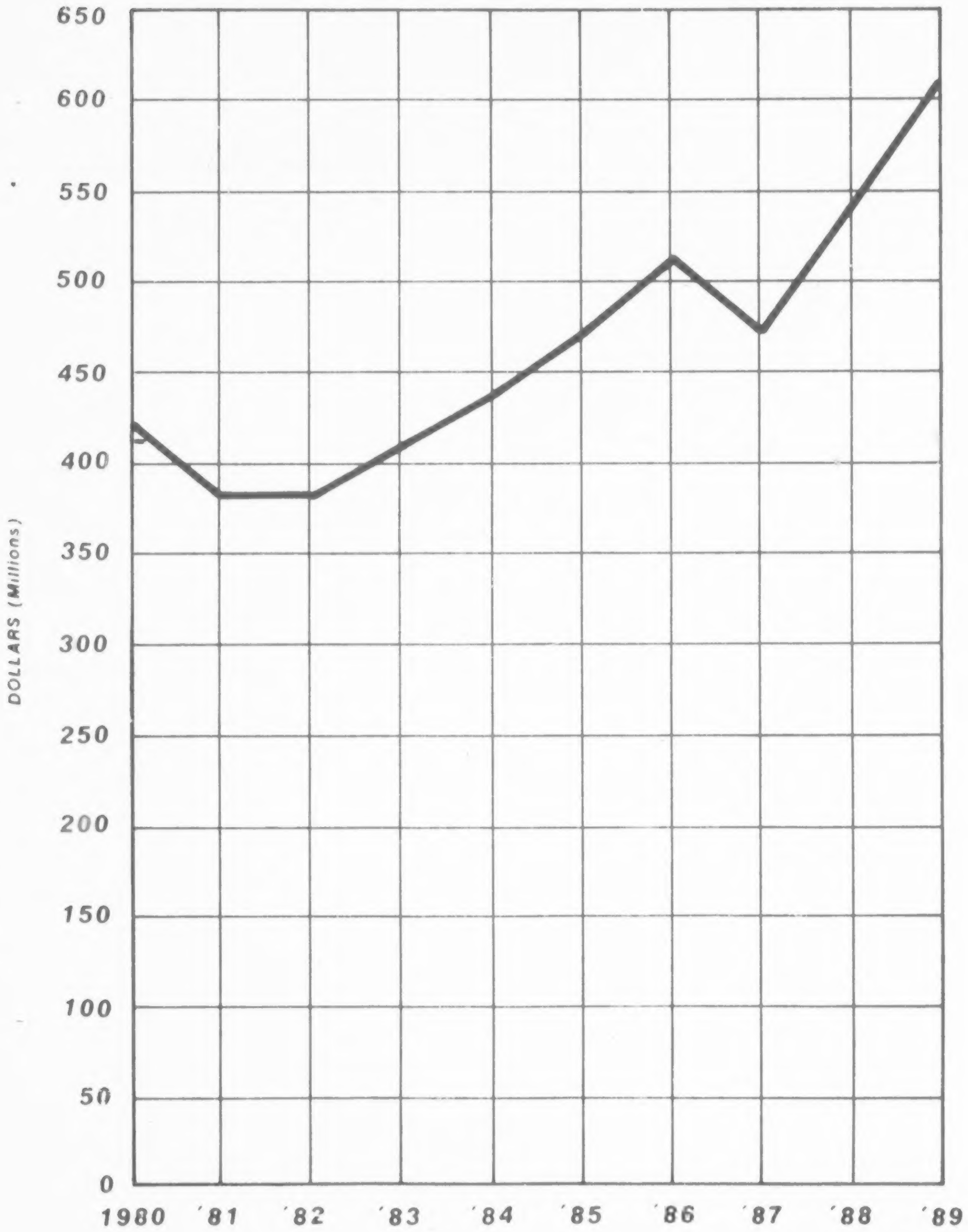


Exhibit S-14

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

STATEMENT OF CERTAIN EXPENDITURES FOR STATE ASSISTANCE TO COMMUNITIES

For the Fiscal Year Ended June 30, 1989

(Expressed in thousands)

Community	Firefighters Incentive	Municipal Police Incentive	Maintenance of State Highways	Fines and Penalties	Hold Harmless State Aid	Aid in Lieu of Property Tax	General State Aid	Public Service Corporation Tax	School Operations	Total
Barrington	$ 20	$ 40	$ 14	$ 5	$ 119	$ 38	$ 358	$ 178	$ 4,037	$ 4,809
Bristol		33	18	10		103	666	221	5,776	6,827
Burrillville		14	17	5			527	145	7,518	8,226
Central Falls		51	10	4		11	954	187	7,607	8,824
Charlestown		21	15	11			217	53	1,219	1,536
Coventry	2	83	28	17			623	297	12,670	13,720
Cranston	125	249	57	13		24	2,486	791	17,084	20,829
Cumberland	10	65	21	5	119	1	515	297	8,487	9,520
East Greenwich	11	24	13	11	252		155	104	3,020	3,590
East Providence	52	142	35	23		24	1,945	520	12,534	15,275
Exeter			10				63	49		122
Foster		5	10	4			136	34	1,013	1,202
Glocester		6	10	4			195	83	1,505	1,803
Hopkinton		9	15	5			168	70	3,824	4,091
Jamestown		5	10	3			151	41	874	1,084
Johnston	34	51	21	7			1,314	273	6,748	8,448
Lincoln	17	59	17	3	153		389	186	3,670	4,494
Little Compton		5	10	1	30		60	34	647	787
Middletown	11	57	17	19			316	189	4,445	5,054
Narragansett	23	31	13	11			471	133	2,617	3,299
Newport	72	160	27	11		168	1,193	321	6,692	8,644
New Shoreham		1	10	2	10		43	7	204	277
North Kingstown	33	60	29	22	163		559	241	8,291	9,398
North Providence	23	58	18	7		15	984	320	6,664	8,089
North Smithfield		17	12	3	65	21	328	109	3,696	4,251
Pawtucket	100	306	45	19		165	3,910	782	25,844	31,071
Portsmouth	14	32	14	13	222		283	157	4,197	4,932
Providence	418	550	103	42		1,530	8,804	1,722	57,274	70,443
Richmond			10	1	27	1	91	44	3,093	3,267
Scituate		28	19	11			251	86	3,037	3,432
Smithfield	16	45	17	8		185	764	185	4,241	5,461
South Kingstown		43	27	25		25	634	208	4,528	5,490
Tiverton		33	11	7			277	149	4,856	5,333
Warren		23	10	12			371	117	3,607	4,140
Warwick	165	200	66	42		107	3,566	957	24,988	30,091
Westerly		66	21	21		32	432	204	3,739	4,515
West Greenwich			10	8			72	30		120
West Warwick	34	81	19	5			960	297	10,081	11,477
Woonsocket	106	127	28	10		50	2,427	504	20,360	23,612
Chariho Regional School District									1,103	1,103
Exeter-West Greenwich Regional School District									3,796	3,796
Foster-Glocester Regional School District									3,160	3,160
School Lunch Program									20,372	20,372
Total	$ 1,286	$ 2,680	$ 857	$ 430	$ 1,160	$ 2,500	$ 37,658	$ 10,325	$ 329,118	$ 386,014

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Exhibit S-15

GENERAL FUND
STATEMENT OF EXPENDITURES FOR SCHOOL OPERATIONS
CLASSIFIED BY COMMUNITY

Five Year Period Ended June 30, 1989

(Expressed in thousands)

Community	1989	1988	1987	1986	1985
Barrington	$ 4,037	$ 3,742	$ 3,349	$ 3,237	$ 3,041
Bristol	5,776	5,361	4,544	4,476	4,132
Burrillville	7,518	6,416	5,703	5,173	4,625
Central Falls	7,607	6,623	5,816	5,316	4,927
Charlestown	1,219	1,237	1,096	993	918
Coventry	12,670	11,154	9,785	8,458	7,592
Cranston	17,084	15,350	13,676	12,113	11,470
Cumberland	8,487	7,836	6,786	6,201	6,450
East Greenwich	3,020	2,835	2,736	2,701	2,625
East Providence	12,534	10,804	10,470	8,242	6,841
Foster	1,013	692	612	540	547
Glocester	1,505	1,307	1,113	1,095	1,098
Hopkinton	3,824	3,823	3,356	3,004	2,809
Jamestown	874	836	754	691	624
Johnston	6,748	5,754	5,354	4,996	4,153
Lincoln	3,670	3,452	3,272	3,089	2,907
Little Compton	647	591	565	537	532
Middletown	4,445	3,845	3,922	3,512	3,624
Narragansett	2,617	2,453	2,076	1,986	1,816
Newport	6,692	6,253	5,650	5,612	5,153
New Shoreham	204	175	155	146	146
North Kingstown	8,291	7,207	6,414	5,961	4,926
North-Providence	6,664	5,739	4,739	4,376	4,062
North Smithfield	3,696	3,247	2,793	2,547	2,169
Pawtucket	25,844	23,150	19,850	18,526	17,267
Portsmouth	4,197	3,743	3,516	3,291	3,084
Providence	57,274	53,302	46,952	42,379	38,887
Richmond	3,093	2,887	2,313	2,000	1,686
Scituate	3,037	2,676	2,113	1,766	1,615
Smithfield	4,241	3,467	3,360	2,919	2,880
South Kingstown	4,528	3,939	3,628	3,379	3,149
Tiverton	4,856	4,442	4,306	4,315	4,095
Warren	3,607	3,304	3,334	2,996	2,590
Warwick	24,988	22,557	20,662	19,692	18,340
Westerly	3,739	3,446	3,198	3,090	2,796
West Warwick	10,081	8,411	8,115	7,499	6,260
Woonsocket	20,360	18,968	17,098	15,950	14,447
Charlestown, Richmond Hopkinton Regional School District	1,103	494	369	252	234
Exeter-West Greenwich Regional School District	3,796	3,252	2,856	2,576	2,284
Foster-Glocester Regional School District	3,160	2,569	2,184	2,120	1,964
(1)School Lunch Program	20,372	17,933	17,832	17,366	17,342
Total	$ 329,118	$ 295,272	$ 266,422	$ 245,118	$ 226,107

(1) School Lunch Programs are not included in classification by community because figures were not available at time of publication.